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The Nation's Business

New Treaty Shows Bennett's Policy

Benefits Unlikely To Be Felt Soon

Another Secretariat Suggested by Wheat Conference

New Trade Treaty With Australia

THE new trade treaty with Australia is significant as giving a clue to the Imperial preference policy of Mr. Bennett. The treaty is notable, too, for the concessions each side makes. Australia has gone much further than most Canadian business men had expected; on the other hand, the prime minister has risked the displeasure of certain groups of producers in Canada to offer Australia some genuine advantages. The treaty seems to be a serious attempt to put Empire preferences on a business-like arrangement.

It is probably a forecast of the lines the New Zealand trade treaty will follow. No treaty with the other Antipodean Dominion is to be expected until after the New Zealand elections in the fall. But Prime Minister Forbes is under fire for having failed to negotiate a treaty with Canada earlier and, after the elections are over, New Zealand will certainly seek a renewal of negotiations with this country.

* * *

THE Australian treaty opens up, for the first time, substantial opportunities for many classes of Canadian producers in Australia. Canadians, in many items, are put on a parity with British manufacturers. Canada has a geographical advantage in relation to Australia which will be of help in some lines, unimportant in others.

Yet too much must not be expected of the treaty at the moment. Australian purchasing power is at a low ebb; Australian exchange is subject to a large discount. This penalizes importers by 30 per cent and gives to Australian exporters a corresponding advantage. At present practically all business is done through credits in London, as the banking situation down under is unsatisfactory and it would be difficult for a Canadian exporter to collect for his goods in cash. This leaves Canada at a considerable disadvantage, which will not be entirely removed until Australian financial and business conditions are better.

At first glance the treaty seems to offer Canada more than it offers to Australia but this, for the moment at least, is more than offset by the instability of the Australian market and the adverse exchange rate.

* * *

ANOTHER point must be watched. Australia changes its tariff rapidly and the recent trend has been upward. Even the preferential tariff rates offered by Australia are prohibitive in many lines, would be prohibitive even without current exchange conditions.

The Australian treaty can hardly be given a fair trial under present conditions. But if one may assume an early return of improved business conditions in Australia it looks like a fair bargain for Canada.

* * *

Just One More Group of Jobs

THE standing committee set up by the world wheat conference, recently held at Canada House, London, has deliberated for about a month and has brought forth nothing more important than a recommendation that an international wheat information service be set up. One wonders why the committee found it necessary to make such a recommendation at all for the only result of the conference itself was a similar suggestion. Apparently the standing committee could not think of anything original to say and did no more than repeat what the conference itself said.

Probably no one, and least of all the nations that participated in the conference, expects such a wheat information bureau to come into being. First of all, it must be approved by the ten nations that participated in the London meeting and these nations all realize that the International Institute of Agriculture at Rome and other organizations already supply the world with all the wheat facts that it is necessary or even possible to compile.

* * *

THE final proof that any international conference is a failure is a recommendation that a secretariat be established to create new jobs for somebody and by recommending such a secretariat the London wheat conference has finally confirmed its innocuity.

Canada made a mistake in calling such a conference. With millions of bushels of wheat to sell every year this country demands the least possible international interference with its selling policies. It is a very good thing that no exporting cartel was set up that would have put our wheat exporters at the mercy of foreign control. The most useful thing the conference did for Canada was to break down. And if the governments ignore—as they probably will—the suggestion for another job-making information bureau no great harm will have been done, except to the prestige of those who suggested the conference in the first place.

TIP TOP CUTS ITS BANK LOAN; NOW IS $60,000

By End of Year Company Should be Clear of Debt

FACTORY PAID FOR

Three-Quarter Million Dollar Plant in Toronto Will Have Been Paid For from Profits

Bankruptcy proceedings in the case of two large firms doing a made-to-measure tailoring business on a national basis, have diverted some attention to Tip Top Tailors, whose shares are widely held by the general public. Authoritative information supplied to The Financial Post reveals that Tip Top Tailors are in even stronger financial position now than when the last annual report was issued. While sales are down, liquid position has improved, bank loan is almost wiped out and cash and other liquid resources are more than enough to cover all of the company's liabilities.

Indications are that Tip Top Tailors will earn approximately $1 a share on 112,500 no par value common shares at present outstanding. During the year 1930 earnings on the common shares were $1.11 a share and this figure will be approximately reached this year. Shares are now quoted in the market at about $8 a share.

There has been approximately a 15 per cent decline in sales turnover during 1931. This compares with the 1930 sales which were approximately at the peak. While the volume of business per store was lower in 1930 than in 1929 the company had increased its retail stores from 45 to 55 during the year and this enabled it to maintain gross volume in 1930, although profits were considerably reduced. This year approximately the same number of stores is being operated but with slightly smaller turnover. The company operates one subsidiary organization, which maintain retail clothing stores where ready-made clothes are sold, in addition to the chain of stores and agencies selling Tip Top tailored merchandise. A few of these ready-made stores have been closed, it is understood.

More Value in Suits

The company has not altered the retail selling price of its merchandise, although raw material costs have declined. This is in line with the company's policy of maintaining a fixed retail price and utilizing savings to increase the quality of the merchandise sold. While Tip Top Tailors standard price remains at $24 a suit, buyers of Tip Top clothing are getting a better class of woollens than the company was able to give them two years ago. The company considers this the most satisfactory way of meeting the demand for lower prices.

Pay Off Bank Loan

A highly significant feature of the 1931 balance sheet when it appears next February is likely to be the entire elimination of the bank loan. When the company in 1929 built at a cost of approximately $700,000, its new five story plant in Toronto, it arranged a bank loan for approximately this amount. This bank loan has been steadily reduced out of earnings. At the end of 1929 it stood at about $400,000 and at the end of 1930 at $250,000. At the present time, the bank loan is down to $60,000 and will undoubtedly be entirely wiped out before the end of the year. This will mean that the new $700,000 plant will have been paid for entirely out of earnings of the company.

Common Dividend Due

The directorate consider this ample justification for their policy of deferring dividends on the common stock. No dividend has yet been paid on the common stock.

In the last annual statement David Dunkelman, president, stated, "Just as soon as there are definite signs of an improvement in business and when our bank loans have been retired the question of a dividend on the common stock will be dealt with."

But action on the common dividends is unlikely to be taken until business prospects are thoroughly clear. The company has a larger number of stores in operation than it had two years ago and many of these were completed and equipped when business began to get into the depression era. They have not had a full opportunity to demonstrate

(Continued on page 2, col. 6)

Germans Invest Here to Escape Collapse

Some part of the German capital that has recently fled from Germany has come to Canada. At least a few large investments in Canadian securities have recently been made by important German investors, who are fearful of the turn affairs can take in their country. With the example of Russia before them, these investors have taken steps to export part of their capital to less disturbed countries.

One wealthy German who recently established a trust fund in Canada for his heirs has also invested heavily in the United States and South Africa.

CLOSED DOORS CUT MIGRANTS BELOW 30,000

Government's Restriction Policy Works With Vengeance

From Our Own Correspondent

OTTAWA. — The "closed-door" immigration policy of the Bennett Government, unlike many immigration policies in the past, is proving effective in achieving its objective.

The Government's aim is to keep nearly every one out. Certainly few new citizens are being permitted to come. Whether the policy is right or wrong is a matter of opinion. But it is working the way the Government wants it to work.

In the current fiscal year which began April 1, it is doubtful if more than 30,000 people will be allowed to enter Canada. Even this may seem a high estimate. If Hon. Wesley Gordon succeeds in holding the movement this year to 30,000 he will have established a record for the century.

Not since the 90's has immigration fallen to such small proportions. Even during the war years the annual inflow of new population was never below 48,000 per annum.

Shows Big Decline

In the year which ended March 31, last, immigration totalled 88,223, a fairly large figure, but much less than in any one of the four preceding years.

1927	143,991
1928	151,597
1929	167,722
1930	163,288

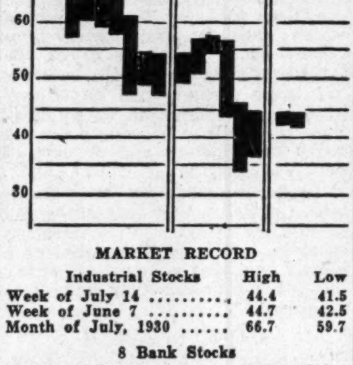
These figures contrast sharply with the pre-war era of settlement in the West when new population used to run into hundreds of thousands annually. The peak year of Canadian immigration was in 1914, when 402,000 people entered the Dominion.

The "closed-door" policy hits Europeans chiefly. Hitherto, despite subsidized immigration schemes — the 3,000 family settlement, the juvenile scheme and others — the inflow of European immigration has been greater than British. Immigration statistics have shown the British steadily to be in a minority. But in addition to stopping the general inflow of

(Continued on page 2, col. 6)

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

Industrial Stocks	High	Low
Week of July 14	44.4	41.5
Week of June 7	44.7	42.5
Month of July, 1930	66.7	59.7
8 Bank Stocks		
Week of July 14	230	228
Week of July 7	230	229
Month of July, 1930	256	249
10 Public Utilities		
Week of July 14	71	69
Week of July 7	72	70
Month of July, 1930	93	88

ONTARIO STEEL YEAR'S PROFIT ABOUT $75,000

Common Dividend May be Suspended for Time

EXPENSES REDUCED

Many Savings Made and Prospects Brighten for Increased Turnover in Coming Months

Annual statement of Ontario Steel Products Company, Gananoque, Ont., for the year to June 30, 1931, will be published early next month. It is understood that the report will show a considerable decline in profits as a result of the depressed business conditions of the past year and the keen competition now observed in the company's field, which is chiefly the supply of springs, bumpers, and other parts to automobile manufacturers. Operating profits, which were $238,000 in 1929 and $169,000 in 1930, will probably be about $75,000. After allowance for depreciation, which usually runs around $90,000, and bond interest, which will take about $18,000, there will be shown a net loss before payment of preferred dividend. The company has continued to pay its preferred dividends and has continued common dividends on a reduced basis. The former common dividend rate was $1.60 per share per annum, and this rate was paid for the first half of the fiscal year just closed, being reduced to 20 cents for the third quarter. Directors will shortly meet to discuss dividend action for the last quarter of the fiscal year just closed and there is a possibility that this dividend may be passed to conserve the company's working capital position.

Follow Auto Trend

The company's plant showed a reduced output for the year, reflecting the general decline in business. It manufactures wagon and automobile springs, bumpers and axles and similar products and its scale of production naturally reflects operations in the automobile field in Canada. To some extent production in the United States is also reflected, for reduced operations across the border increases competition in Canada from American part makers. Until the spring of this year, the company manufactured shovels, spades, etc., at its subsidiary plant known as D. F. Jones Manufacturing Company of Gananoque. At a meeting of the shareholders held in March of this year, authority was given to sell this plant to other interests, who now operate it under the name of the Jones Shovel Company. Ontario Steel Products now concentrates its activities in the all metal products which have in recent years constituted its chief lines. Sale of the Jones plant has enabled the company to effect many economies in the conduct of its business and to increase efficiency of manufacturing operations through concentration of production.

It is understood that the company has reduced its production and overhead cost considerably at all of its plants, including those at Gananoque, Oshawa and Chatham. Further economies are contemplated or are in process and all controllable expenses have been drastically reduced.

Foresee Upward Trend

Efforts of the company have been directed to increasing efficiency and reducing costs to the end of preparing for taking full advantage of the next upswing in business which, it is believed, will not be deferred. Any improvement in operations of the automobile industry in Canada will be immediately reflected in the operations of Ontario Steel Products. While the current quarter is expected to continue the slack conditions that have prevailed, a fair amount of new business has been found and the latter part of the year is expected to see the beginning of an upward trend which should be reflected in improved earnings for the 1931-32 fiscal period.

Working capital position has been well maintained. The 1930 report showed current assets of $915,000 against current liabilities of $95,000, showing net working capital of $820,000 on a ratio of approximately nine to one. While working capital is likely to be shown at a lower figure the excellent ratio will not be impaired.

Surplus of the company was reduced $79,000 by operations in the 1930 fiscal year, bringing the net surplus down to $384,000. Continuance of the usual write-off for depreciation, continuance of the policy of maintaining plant in first-class condition and payment of preferred and common dividends operated further to reduce this surplus during the past year.

Prudential Shareholders Approve Offer of Sale

From Our Own Correspondent

MONTREAL.—Shareholders of Prudential Trust Co. have approved an offer of $20 a share made for their holdings. The offer came from the Mortgage and Discount Corp. of Canada and was made on behalf of that company by General Trust Co. of Canada, in their capacity as trustees.

There are about 18,000 shares of Prudential Trust Co. in the hands of the public and a total acceptance of the offer would involve around $360,000. Payment for the shares was to have been made in twelve monthly installments, but owing to certain circumstances, no cash distribution has been made as yet.

The price of $20 a share represents the par value of the present Prudential shares. Last year the capitalization of the company was changed by special Act of Parliament to put all the shares on a basis where depletion of capital would be eliminated.

Holders of fully paid shares received three new fully paid non-assessable $20 par value shares for each $100 share held; holders of 80 per cent paid up shares received two $20 shares each and holders of 70 per cent paid up stock received 1½ shares of the new stock.

Standard Paving & Supply Forms Maritime Subsidiary

Standard Paving and Supply Co. has formed a subsidiary, Standard Paving Nova Scotia Ltd., with head office at Halifax, to handle the company's Maritime business. E. L. Miles, formerly of Lindsay, Ont., has been appointed general manager of the new branch.

In June, the company obtained contracts totalling about $500,000 for paving work in St. John's, Newfoundland, and Yarmouth, N.S. These will be handled by the new subsidiary.

Australian Recovery Thought Underway

Close observers of the Australian financial situation see considerable hope in current events in that commonwealth which are not generally appreciated as yet in Canada.

First there is the fact that as a result of the financial rehabilitation scheme recently consummated there is every hope of a balanced budget.

Next there is the fact that for the fiscal year ending June 30, 1931, exports exceeded imports by $100,000,000—this for the first time since 1925.

Finally there is the fact that Australian exchange rate, which is currently quoted at a 30 per cent discount is not set by the free play of demand and supply as are Canadian or U.S.A. rates, but is fixed arbitrarily by the Commonwealth banks. It is anticipated that in the near future this adverse rate will be substantially adjusted to the distinct advantage of trading countries.

MONT. TRAMS MAKE ADDITION TO BUS FLEET

Purchase Twenty Coaches of Large, Modern Design

From Our Own Correspondent

MONTREAL.—Further expansion in its bus activities is seen in a recent order of Montreal Tramways for 20 new buses of modern design. Associated Equipment Co. of Canada supplies 15 of these vehicles and Leyland Co. the balance. The chassis are manufactured in England and bodies are made by the Canadian Car and Foundry Co. in Montreal.

Further developments in this division may be expected in the future. The company has on order two diesel direct drive engines suitable for bus operation. These engines, however, are still in the trial stage in England and it will likely be another year before Montreal Tramways uses them in its fleet.

Extend Bus Routes

At the end of last year the company, in addition to its trams, owned 119 motor buses travelling over routes 88 miles in length. Routes have been extended during the current year; one of the most notable additions being a service on the new Harbor Bridge.

The use of trolley coaches under certain limited conditions has also received careful attention. Use of this method of transportation is somewhat restricted and as yet no developments have occurred which would indicate an early adoption of this type of vehicle in Montreal.

Passenger Traffic Lower

Passenger traffic on buses and trams in Montreal continues to run slightly lower than last year. The situation is a natural reflection of business conditions; in 1930 passengers carried on tramways was lower by 7,000,000 at 227,136,581 though motor bus passengers showed an increase of about 1,500,000 at 18,050,923.

Extensions to the company's trackage are being made and new districts are being served. Any estimate of the new trackage laid to date is rendered difficult by the fact that in several spots old tracks are being torn up and rolling stock re-routed. Last year some 24 miles of single track was constructed and renewed.

Progress With Tunnel

One of the most important pieces of construction presently being undertaken is erection of a tunnel underneath the Lachine Canal. Montreal Tramways is pledged to pay not more than $825,000 toward the costs of this work which will entail a total cost of around $2,500,000. The work is going forward with expedition and completion is scheduled in the spring of next year.

No further steps have been taken toward implementing proposals to construct subways as a means to relieve traffic congestion in Montreal. A plan involving an expenditure of $65,000,000 was placed before the public late last year embodying construction of 8 miles of underground railway.

While Montreal Tramways was willing to operate such a system, which it believed offered a solution to present traffic problems in the city, the plan stipulated that the onus of financing would have to rest with the city. It was proposed that the city should guarantee the necessary bond issue both as to principal and interest.

In disclosing details of the scheme R. N. Watt, assistant to the president of the company, pointed out that Montreal Tramways now moves about 1,000,000 people a day and if Montreal continues to grow, traffic will become so congested that it will detrimentally affect business and property value. Provision of additional streets and the widening of existing arteries was claimed to be one solution; the other was construction of an underground railway.

The company is controlled by United Securities Ltd. which in turn is jointly controlled by Montreal Light, Heat and Power Cons. and Shawinigan Water and Power Co. The financial statement for 1930 showed a slight reduction in operating revenue of $14.979,645 as against $15,311,138 in the previous year.

NAT. GROCERS PROFITS DOWN ONLY $100,000

Despite Declining Prices of Foods, Profits Hold Well

RETIRE MORE NOTES

Bank Loan of $200,000 Will Reflect Redemption of All First Preferred Shares

National Grocers Company closed its fiscal year at June 30th. The profit and loss account will probably show net earnings of about $520,000 as against net earnings of $620,000 in 1930 and just under $700,000 in 1929. In view of the fact that prices of food products were declining steadily throughout the year the directors view the year's results as thoroughly satisfactory.

The company made no less endeavor to expand the number of its affiliated retail stores during the year than to reduce operating expenses in line with the declining selling price of food products.

No First Preferred Now

The balance sheet of the company will show some changes. During the year, the entire amount of first preferred stock outstanding approximately $600,000 was retired leaving the second preferred stock as the senior stock issue. Ahead of the second preferred is an issue of 6½ per cent gold notes. Of these, $1,559,500 were outstanding at June 30, 1930, and it is understood that the 1931 statement will show the issue as having been reduced to slightly over $1,400,000. Most of this reduction in bond and capital indebtedness has been achieved out of earnings, but the company will show a bank loan of about $200,000. The bank loan, which was as high as $1,600,000 in 1926 was steadily reduced until 1930, when no bank loan was shown at all. Money was borrowed from the bank to meet a portion of the cost of retiring the first preferred stock, and while a portion of this loan has been repaid there is still about $200,000 outstanding.

The gold notes were sold to American investors. The only issue in which there was a substantial investment interest in Canada was the first preferred issue and this has now been retired. The issue of second preferred stock, amounting to just under $3,000,000, was distributed among the owners of the various companies which entered the merger and there was no public offering. Dividends are cumulative on the second preferred stock at the rate of 7 per cent per annum and at June 30th, 1931, dividends on these shares were in arrears about 35 per cent. Only four payments of 1¾ per cent each were ever made but the dividends were suspended in 1931 to aid in financing the redemption of the first preferred stock.

Notes Due Next Year

The second preferred shares are callable at 110 and provision is made that when all the gold notes and first preferred stock have been redeemed the company shall set aside a sinking fund for the purpose of redeeming second preferred shares. Now that the first preference stock is out of the way the company will probably make plans to redeem the gold notes. These fall due on August 15th, 1932, and unless a substantial bank loan were arranged the company would hardly be in a position to redeem these gold notes out of earnings between now and that date. Whether the company will make a bond issue to redeem the balance of these notes that may be still payable next year or whether a further issue of short-term notes will be made is undecided yet. In any event the rapidity with which these notes and the first preference stock has been redeemed suggests that the company will, within a few years, be entirely out of debt. For instance, at the end of 1926 the company owed on account of a mortgage $179,000, on account of notes $1,973,000, on account of first preferred stock $1,000,000, and on account of bank loans and overdraft, $1,629,000. This was a total of $4,781,000. As at the end of 1931 fiscal year bank loan will be about $200,000, mortgage payable about $100,000, gold notes outstanding about $1,400,000, and first preferred stock, nil. This will be a total of $1,700,000.

Thus through a reduction of inventories by a policy of more rapid turnover and by utilizing surplus earnings to pay off bank loans and

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McColl-Frontenac Sales Well Maintained to Date

From Our Own Correspondent

MONTREAL.—Sales of McColl-Frontenac Oil Co. have been well maintained to date, and business continues on a satisfactory basis according to a letter sent out by John Irwin, president of the company, with dividend cheques to preferred shareholders. Security holders were urged to aid the company to increase its sales volume by supporting its products.

The fact that McColl-Frontenac is not in the producing end of the oil business but confines its operations to refining and distribution has been a factor in increasing sales this year. While low crude prices have hampered producers, the company has been able to take advantage of depressed prices in its purchases. Earlier in the year its Montreal East refinery operated for 64 days without a stop; an occurence which was claimed to be a world record.

Earnings of McColl-Frontenac in the year ended January 31, 1931, were equal to $1.43 a share on the common stock as compared with $1,92 a share in the previous year. Gross revenue was higher, but increased bond interest and greater provision for depreciation, bad debts and other charges lowered net profits.

Weekly Sales of Stocks Now Shown in Tables

Readers of The Financial Post will be glad to notice this week that the table of stock market quotations shows the total number of sales of each stock for the week covered by the table. To do this it has been necessary to have new fractional numerals supplied to the linotype machines. While these fractions are smaller than those formerly used they are really more legible for comparative purposes, and they have the advantage of economising sufficient space to permit the notation of the total sales by weeks.

NEW TREATY OPENS VISTAS FOR CANADA

When Australia Returns to Normal, Big Possibilities Seen

The opening of a vast market for Canadian merchandise in Australia —if as, and when, that market recovers sufficiently to once more absorb imported goods—is indicated by the new treaty between Canada and that country announced in the House of Commons this week.

The treaty itself is probably the most extensive of its kind ever entered into by Canada and for the first time may open the Australian door to hundreds of commodities manufactured or produced in Canada which were previously excluded by being on the general tariff list and therefore in competition with the United States and other world countries. To offset this advantage there is, however, for the time being at least, an abnormally high and unstable tariff situation, which, together with an adverse exchange rate of 30 per cent, has reduced Australian imports from most countries to a bare minimum. In the case of Canada, for instance, exports during the fiscal year ending March 31, 1931, dropped from $16,300,000 to $6,788,000, from the previous year.

British Preference For Canada

Features of the new pact are that in 415 out of 443 items. Canada has been granted the British preference which places this country on an equal tariff footing with that country. Actually Canada should now be on a better footing than Great Britain in many lines because of the advantage of distance. A rough computation would indicate that from Vancouver to Sydney the distance is only 6,800 miles as against 10,000 miles from London to Sydney via the Suez Canal, which is the shortest route from Great Britain. From Montreal to Sydney the distance is also about 10,000 miles while from Liverpool if ships were to travel via the Cape, the distance would be nearly 13,000 miles.

In addition to the 415 British preference items out of a total of 1,448 articles enumerated in the Australian import tariff, Australia also gives Canada intermediate treatment for lumber, lath, palings, shingles, door timber, and door staves, goloshes, rubber and sand shoes and boots, plimsolls and motor car chassis. In the former trade agreement, Canada had the British preferential on four items, intermediate on four, while the general tariff was applicable to the others.

Australia's Gains

Australia receives many important advantages under the tariff. Beef and veal come in at 3 cents a pound, as compared with 4 cents previously, whereas the general tariff is 8 cents a pound. She has to meet a general tariff of 3 cents a pound on lamb and mutton, whereas the Canadian intermediate tariff is 6 cents, and general tariff 8 cents.

Canned meats come in at 15 per cent from Australia, whereas the intermediate tariff against other favored nations is 30 per cent, and the general tariff 35 per cent. Other specific reductions are on eggs, fresh fruits during the winter,

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Dunning's Group To Name Its Board As Fight Goes On

Names of Directors Will be Given Out Shortly

$51,500,000 SENT IN

Biermans Group Continues Dogged Fight Against "Inequitable" Terms

From Our Own Correspondent

MONTREAL. — Extension of time for the deposit of securities and shares of the constituent companies of Canada Power & Paper Co. has been granted by the Securities Protective Committee. The new date set is August 10. Another important announcement is expected in the immediate future. In the meantime the Belgo group continues its opposition to the scheme of re-organization and a Laurentide group has also risen in protest.

To the end of last week $51,500,000 par value of securities had been deposited by over 4,000 individual holders. Such companies as the Canadian Pacific Railway, Sun Life Assurance, Great West Life, Canada Life, Mutual Life, Dominion Life, Manufacturers Life and other organizations have given their support to the committee plan by depositing securities.

Some Still in Dark

There are a number of security holders who, as yet, are unaware of the reorganization plans. This applies to some of the older bond issues which are widely distributed and unregistered. In the case of Wayagamack bonds, for example, some of the bondholders will not be aware of the present situation until coupons are presented for payment on August 1 next, when they will not be honored.

Then there is the matter of getting in securities from holders located in England, the Continent and the United States. The length of time given by the committee (up to July 15) was hardly sufficient for these holders to make the necessary arrangements.

The extension of time to August 10, therefore, is expected to result in the deposit of further securities. The deposit of $51,500,000 out of a total outstanding of approximately $103,000,000, however, would indicate that the committee is not far short of a majority. As no public information has been released, it is not possible to determine those securities in which the committee has obtained a majority.

Announce New Board

The second important announcement will have to do with management. As previously mentioned in The Financial Post, the committee has been working on this problem and it is possible that before the end of the week a public announcement will be made in respect to the new board of directors.

A number of prominent industrial and financial men have been approached and it is understood that the committee has selected seven men, who have agreed to serve on the board during the time the committee is in power, namely, five years.

Probably no other feature of the committee's plan of reorganization has caused such widespread discussion as management. On that account the names of the committee's nominees will be carefully scanned.

It is generally appreciated that the success of any reorganization plan for Canada Power and Paper will depend upon the board of directors. Many holders have withheld depositing their securities until they have received definite assur-

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HUDSON'S BAY REPORT SHOWS SEVERE LOSSES

No Dividends in Sight; Deficit Predicted For Current Year

A trading loss of $3,731,670 is reported for Hudson's Bay Co. for the fiscal year ended May 31, 1931, in the annual report just issue in England. Coincident with the issuance of the report officials announce that the company is not in a position to pay either preference or ordinary dividends. It is anticipated that land, store and fur trading operations will be carried on at a loss in the current year.

From the trading loss for the year ended May 31, 1931, there has been deducted surplus of $7,345 carried forward from the previous year while $1,500,000 has been taken from the dividend equalization account and the balance of $2,224,325 has been eliminated by transfer of funds from the share premium account which was shown at some $22,000,000 in the 1930 statement.

Provision of $2,384,600 has been made against capital value of shares in and advances to subsidiary, associated and other companies "in view of the abnormal conditions that are prevailing in Canada." A further $1,484,800 has been provided against buildings, etc., sinking fund account which is now renamed the buildings, etc., depreciation account. The annual report will be presented at the annual meeting to be held on July 29.

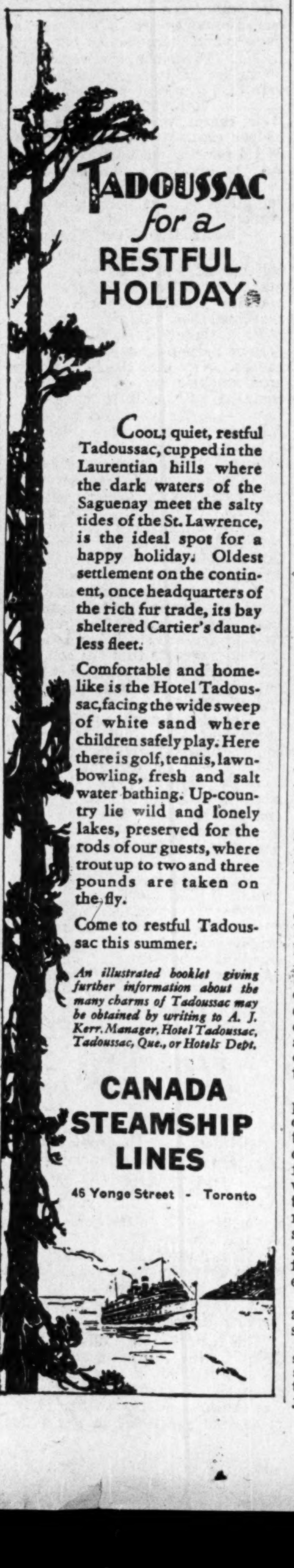
No sale of the company's stores in Canada is contemplated, according to the report. It is stated that the company's returns from land sales and department stores were seriously affected by the heavy fall in prices of agricultural products and the general commercial depression throughout Canada.

Owing to the serious agricultural position of Western Canada, aggravated by the recent severe drought, there can be no question but that the purchasing power of the Canadian people during the next year will be very considerably diminished and therefore the proprietors must expect that the land department and the stores operations of the company during next year will be carried on at a loss and to such loss will have to be added a further considerable loss with respect to the fur trade in consequence of prevailing conditions in the fur trade throughout the world.

The board wishes to make it clear that the provision made in the past for the sinking fund was actuarially sound. They emphasize the fact that there are no debentures or other charges on the company's assets. In addition to the assets comprised in the balance sheet other assets of potential value are represented by unsold lands and outstanding installments which stand at nil in the balance sheet.

Early Crops in New Brunswick

Unusually early crops of hay and potatoes, especially in the central part of the Saint John River Valley, are cited by the fortnightly crop report issued by the New Brunswick Department of Agriculture for the period ending July 4th. The report also points out that the yield of hay is "the heaviest for some years" in certain parts of the province.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Bank of Toronto Has 75th Birthday

Canada's third oldest bank passed the three-quarter century mark last week and marked the occasion by declaring its 200th dividend. Bank of Toronto was established in the city whose name it bears, on July 8, 1856, and dividends have been paid continuously since that date.

The first head office of the bank was on Church Street, Toronto, opposite St. James' Cathedral, whence it moved to its present site in 1863. The existing structure was built in 1913.

Today the bank has over 200 branches in Canada, 108 of which are in Ontario. While total assets are over $130,000,000. W. G. Gooderham is president of the institution and Harvey B. Henwood, general manager.

Disher Steel Gets Enquiries Orders Scarce

Disher Steel has declared its usual preferred dividend payable August 1. This is taken as an indication that the company expects to earn the preferred dividend this year, despite the low level of prevailing business.

Since the first of the year, few orders for structural steel have been placed in Ontario. Disher has recently finished up some contracts and is working on others, but these are understood to be very small in total tonnage.

Enquiries for steel, have, however, shown improvement of late and indications are that a fair volume of orders for the structural firms will be offering in the fall if there is a definite sign of pick-up in general business and an easing of money conditions.

NAT. GROCERS PROFITS DOWN ONLY $100,000

(Continued from page 1)

redeem securities, the company has reduced its liabilities on these accounts by $3,000,000 in six years, or at the rate of $500,000 a year. This is regarded as a very remarkable achievement for a company that has had to reorganize to meet new conditions in the grocery field. It suggests that it may not be much longer than three years before the company is able to be entirely clear of debt, and to enter upon a process of redeeming the second preferred stock. There is a total of just under $3,000,000 of this second preferred stock outstanding, and provision is made for its redemption out of earnings. With the cumulative dividends the book value of this second preferred stock is approximately 145, or a callable price of 110 plus the cumulative dividends of $35 per share. But the current market price of the stock in the unlisted market is under $50 a share and the company will probably initiate its redemption programme by open market purchases of the stock just as it did with the first preferred shares.

DUNNING'S GROUP TO NAME ITS BOARD AS FIGHT GOES ON

(Continued from page 1)

ance that the new management will be to their liking.

Considerable stress, therefore, is placed upon this particular announcement. If the men selected by the committee meet with approval, it is likely that a majority of the different issues will be secured by August 10. If such is not the case, then it is doubtful whether the plan will ever go into operation.

A strong feeling still prevails against the old management. It has been stated, publicly and otherwise, that the new board must be free from old influences. Hon. Charles Dunning, chairman of the committee, has stated that the new management will be free of the old management and it is on that assurance that many holders have deposited their securities.

Meantime opposition continues to the plan. Belgo bondholders and preferred stockholders are determined in their opposition. Both classes of security holders claim that they are not being treated fairly under the plan and are demanding a larger proportion of new securities.

Hubert Biermans, former president of Belgo-Canadian Paper Co., and organizer of opposition from the bondholders, has made further statements. He has said that without definite knowledge of the new management, he is opposed to the reorganization scheme. Further, in the event of breaking away from the Canada Power set-up, he says that he will secure the necessary working capital to carry on operations.

Assures Working Capital

In this connection approximately $5,000,000 would be needed. He proposes to raise this money from Belgian and French capitalists and as security, give a first mortgage on the property. If the money cannot be raised in that quarter, he has stated that he will provide it personally.

A favorable power contract can be had in the event of independent operations. Though Mr. Biermans does not mention where he will secure newsprint contracts, he has assured the bondholders that he can obtain sufficient business to keep the plant operating.

The committee formed by the preferred shareholders are unchanged in their attitude toward the plan. During the past week a communication was sent to the preferred stockholders stating that it was the opinion of the committee that under the set-up Belgo preferred was worth $60 in bonds and 5 shares of common stock of the new securities. The Dunning plan offers 3 shares of new common for each share of preferred held.

L. M. St. B. Collins, of Toronto, a member of the Belgo committee, said this week in part:

"47.09 per cent of the par value of securities and shares presently outstanding have been deposited, but there is little doubt that the majority of this par value is represented by institutions which hold securities and shares of each of the subsidiaries concerned.

"The very fact that the new company proposed to be formed, is not faced with any fixed charges for five years, is sufficient to cause great concern to other companies producing newsprint, and especially to those who have been properly financed, and whose common shares represent a real investment in the company.

"Mr. Dunning further states that it would now seem the plan adopted by the committee has the support of the security holders, both large and small. I am not aware of the investment holdings of the Canadian Pacific Railway, but the Sun Life Assurance Company, Great West Life, Canada Life, Mutual Life, Dominion Life and the Manufacturers Life, who apparently give their support to the Dunning Plan, held as at Dec. 31, 1929, $14,506,000 of the par value of the Canada Power and Paper Company debentures and subsidiary first mortgage bonds and preferred shares, as well as owning 20,480 shares of Canada Power and Paper common stock. Of the above amount, $3,300,000 is invested in Belgo-Canadian Paper Company, Limited. It is, therefore, obvious why the support of the companies referred to, was given to this plan.

"It is to be hoped that the bond and shareholders of the Belgo-Canadian Paper Company, Limited, will not be swayed by such information, and will hold out for a fair deal in the new consolidation; failing the receipt of an equitable arrangement withdrawal of their company from the re-organization."

To date the Dunning committee has not changed its stand, opposing the claims of the Belgo security holders.

Debenture Holders Organize

On Tuesday of this week a meeting was held in Montreal of the debenture holders of Canada Power and Paper. As a result a committee was formed to seek legal advice with a view to securing a more equitable distribution of the new company's securities and also, if necessary, to force the company into liquidation in order to achieve that end.

Debenture holders present at the meeting decided to withhold their debentures from deposit, and those who had already deposited their holdings announced their intention of cancelling their proxies.

NEW TREATY OPENS VISTAS FOR CANADA

(Continued from page 1)

while dried fruits, such as prunes, apricots, pears, peaches, raisins and currants are free all the year. Oranges are free from May to October, inclusive, and bear the British preference during the rest of the year. Canned apricots, peaches, pears and pineapples are dutiable at 1 cent per pound. The same duty is applied to Australian sugar as to that from the West Indies. Butter comes in at 5 cents as against 8 cents formerly.

Wines Loom Large

It is expected that the advantage given to Australia in the matter of wines will be very important. The rate will be 25 cents per gallon for non-sparkling wines with special rates for champagne and all other sparkling varieties. It is said that these new rates will bar foreign rather than domestic product since the retail price of Australian wine will still be double that of native Canadian product.

Canada's total imports of sparkling and non-sparkling wines were $2,290,000 for the fiscal year ending March 31, 1931. Of this total $1,793,000 was for imports of non-sparkling wines of which over 90 per cent came from France, Spain, Portugal, Great Britain and Italy, in that order. Australia sent in only $64,500 of non-sparkling wine as against $355,000 from France; $271,000 from Portugal; $203,000 from Great Britain and $140,000 from Italy. The average cost of these imported non-sparkling wines was $1.80 per gallon in that year.

Stevens Expects Results

Some instances of the possibilities of Canadian trade under the new treaty have been prepared by Hon. H. H. Stevens, Minister of Trade and Commerce, who negotiated it. There is a vast market now for Canadian confectionery, canned vegetables, groceries, stockings, corsets, furs, boots and shoes, floor coverings, electric appliances, tractors, enamelled ware, tools of trade, rubber flooring, hose and unspecified rubber goods, belts and belting, furniture, cement, newsprint and other paper, canned salmon, lumber, motor chassis, and certain textiles.

Some idea of the importance of the Australian market is gained by the fact that for the past ten years her total trade with all countries has ranged between $1,200,000,000 and $1,500,000,000. Australia has been the twelfth ranking nation in world trade, and for years United States has supplied about 25 per cent of her total imports, the total a few years ago being between $170,000,000 and $200,000,000. Great Britain has had about 40 per cent of this market, her exports to Australia a year or two ago reaching as high as $329,000,000.

Trade Now Slumps

No figures are available for the fiscal year ending June 30, 1931, but if trade with Canada is any indication of Australia's total trade, the decline in imports will be in the neighborhood of 60 per cent. It is this unsatisfactory situation which precludes the possibility of the treaty being given a fair trial at the present time.

The following table shows leading items of trade between Canada and Australia with figures for the past three years:

CANADA'S TRADE WITH AUSTRALIA
(Fiscal Year Ending March 31)

	1931	1930
	$	$
Leading Imports		
Currants, dried	403,510	454,959
Raisins	1,073,516	717,544
Fruits, canned	835,127	220,581
Sugar (above No. 16 D.S.)	....	496,100
Cattle hides and skins (raw)	188,723	279,469
Beef, fresh	24,963	169,838
Mutton	133,131	534,142
Butter	750,031	357,893
Wool, raw	188,011	266,057
Worsted tops	366,390	218,686
Leading Exports		
Rubber mfrs.	22,837	265,431
Fish, canned	1,036,864	2,312,678
Wood, unmfr.	611,190	1,594,207
Paper, printing	2,329,600	4,064,355
Paper, wrapping	40,592	174,084
Iron pipe & tubing	71,532	345,329
Farm implements & machinery	305,889	969,304
Razors	262,601	280,052
Automobiles, etc.	928,956	3,433,301
Electric apparatus	83,717	307,478
Asbestos	9,589	146,184
Coal	167,325	193,645
Total Trade with Canada		
Imports	4,616,722	4,211,851
Exports (Canadian)	6,788,707	16,322,771

Three important new features are embodied in the trade pact:

Either country can impose any special duty or tax (other than for dumping), upon goods imported, provided such special tax does not exceed that imposed on similar goods imported from any other country. This permits of such a special excise tax as the sales tax in effect in Canada.

If any class of goods exported from either country to the other is affecting prejudicially the sale of the same goods produced in the importing country, that country can ask the exporting country to apply remedial measures. If this is not done within three months, the special duty on such goods will be withdrawn, and the general tariff will apply. This will not affect the Treaty, except in this class of goods, and both parties agree to endeavor to reach a satisfactory agreement. When the notice is withdrawn the special duty applies again. This is to prevent a whole treaty being disrupted owing to a disagreement on a specific duty on one article, as was the case with butter imports from New Zealand to Canada.

Formerly the Australian duty was collected on the cost of production plus the inland freight from point of origin to port of export. That is, the goods made in Toronto for Australia had duty collected on the cost, plus freight from Toronto to Vancouver or any other port where shipments were made to the Antipodes. Now the freight added for duty purposes is from point of origin to nearest outport, or from Toronto to Niagara Falls, though the goods are shipped over Canadian railways to Vancouver, Halifax or Montreal.

Newsprint Operators Pleased

From Our Own Correspondent

MONTREAL.—Newsprint operators in British Columbia have received with satisfaction the announcement of the removal of the Australian duty of $5 a ton on Canadian newsprint. While mills in other parts of Canada are entitled to this preference, virtually all Canadian newsprint shipments from Canada to Australia originate in British Columbia.

Showing the extent of this movement of newsprint and general paper products to Australia, the value given for last year's exports from Canada to the Commonwealth was approximately $5,000,000. This business has more than tripled in the last six years.

The tonnage of newsprint shipped to Australia last year from British Columbia was 52,006 tons, having increased steadily in recent years from a little over 12,000 tons in 1925.

TIP TOP CUTS ITS BANK LOAN; NOW IS $60,000

(Continued from page 1)

their earning power under normal conditions.

Provision is made that no dividend may be paid if by so doing the net current assets would be reduced to less than $1,000,000 or the net tangible assets to $2,100,000. On this basis the balance sheet as of January 3, 1931, would not have permitted payment of any dividend as net current assets were just under $1,000,000. It is probable that the company will continue its conservative policy in regard to dividends and even after the bank loan is paid off, may use earnings to redeem larger amounts of the preferred stock, which is now being reduced by a sinking fund and which is available at a considerable discount from par.

CLOSED DOORS CUT MIGRANTS BELOW 30,000

(Continued from page 1)

population, the present "closed-door" policy is proving to be highly selective, and this year for the first time in 30 years the majority of immigrants will be of British blood.

Just what has happened since the present government took office is revealed in these immigration figures:

	1929-30	1930-31
September	11,101	5,922
October	8,817	4,445
November	7,286	3,267
December	4,943	2,090
January	3,866	1,480
February	3,963	1,429
March	14,576	2,413
April	19,309	3,201

Obviously, the full effect of the new policy was not felt until March when the movement for the present season began. The previous months, while a sharp reduction was recorded, reflect the entry into Canada of some thousands of persons who had obtained permits from the Federal Government months before, and who could not be stopped.

It is March and April that the determination of the Government to restrict European immigration became clearly apparent. Usually, the Europeans greatly outnumber the British, but in March there were 633 British, against 377 Europeans. The balance was made up of immigrants from the United States, practically all of whom were of British blood. In April there were 1,193 British and 417 Europeans, the balance coming from the United States.

No one who is unacquainted with immigration administration has the remotest idea of the difficulties which must be surmounted if a "closed-door" policy is to be enforced successfully. With the present large foreign-born population of Canada, thousands of applications are made every month for the entry of relatives and friends of people already domiciled in Canada. Race groups, such as the Ukrainians, the Poles, the Mennonites and others, act as units in immigration matters, and the enforcement of a highly selective policy must entail loss of political strength to any government.

Difficult to Restrict

Notwithstanding these difficulties, the present government, rightly or wrongly, is adhering strictly to its chosen policy, and for the next year or two the inflow of population not only will be chiefly of British blood, but will be only a trickle compared with what it used to be. To some, there may be cause for surprise in the fact that a "closed-door" policy is being enforced at Ottawa. In the past, of course, the effort of governments has been directed to obtaining an even greater inflow of new population. Only a few years ago the Conservative party, then in opposition, brought forward in the House of Commons a resolution calling for mass settlement in the Peace River area.

In those times, while it was not difficult to secure 150,000 immigrants or even more each year, there were great difficulties in increasing the annual movement above 200,000, particularly if any sort of selection was exercised.

The experience of the "closed-door" policy is that it is equally difficult to restrict immigration below the normal movement. It is being restricted ruthlessly. Hon. Wesley Gordon, minister of immigration, made a significant remark in parliament the other day. He was asked why the expenditures of the department were not reduced when the immigration was so much lower than normal. His reply was that it cost as much to keep people out as to bring them in. In fact, it will probably cost more to restrict immigration to a few thousand each year than it would to increase it to 200,000 or more.

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TRUST AND LOAN PROFITS FOR 1930 ON LOWER SCALE

Low Wheat Prices Make It Difficult to Meet Charges

From Our Own Correspondent

MONTREAL.—Wheat prices and their effect on land values in the West played an important part in remarks made at the annual meeting of shareholders of the Trust and Loan Co. of Canada by Colonel Sidney Peel, president of the company. The meeting was held in London, England.

After reviewing profits for the year ended March 31, 1931, amounting to $76,480 as compared with $[illegible] in the previous year, he turned to the general position of the company's affairs in Canada.

Tribute to Borrowers

He found that it was not surprising that farmers found it difficult to meet their obligations with wheat at 35 cents a bushel, especially as that price had to include freight charges of around 14 cents a bushel for average points in Saskatchewan and a similar sum for harvesting costs. Colonel Peel paid a tribute to the efforts the company's borrowers had made to meet their payments when due; collections were greater, he said than might have been expected.

Valuation Difficulties

He then turned to land values observing that under present conditions it does not appear possible to form an opinion of land investments. He continued:

"I do not take it to mean that the experienced valuer today cannot value a particular piece of land in Canada in accordance with the usual rules, including the assumption of a willing purchaser. But, under the influence of the fall in price of its products, agricultural land may be expected to fall in value. On a falling market buyers are very reluctant to come forward and for the time being the market becomes very uncertain and at times non-existent. At such times it may be impossible, until the future has become less obscure, to form an opinion of a large number of parcels of land taken as a whole.

"That does not mean, however, that land, even in the most depressed parts of the agricultural West, has got no value at all. There have been depressions of equal or worse local intensity, due to a series of bad seasons or other general causes,—they have always passed away. I firmly believe that the present depression is a depression and therefore capable of remedy, and not a permanent condition of affairs."

Mortgages Show Decline

Reviewing the company's mortgages of which $15,292,175 are outstanding, he stated that there was a total of $9,282,936 on farms in Manitoba and Saskatchewan and $6,009,239 in mortgages on city property. So far the mortgages have given little trouble, total arrears at March 31, 1931, were less than half of one per cent. Mortgages of the company at the end of the previous year were $15,784,-000.

Overdue interest now stands at $684,011 an increase over the previous year of $350,430. About 75 per cent of this increase has been taken into the year's revenue. Reserves are available, it was stated, to cover all the overdue interest and 35 per cent of the land investments shown in the balance sheet at $1,752,000.

Colonel Peel stated that the company is not making any effort to put new money out on mortgage at present; it is trying to strengthen its cash position.

Stock Market Leaders of Tomorrow

Shawinigan's Past Record and Excellent Prospects Give It Place in List of Possible Ones

By GRANT BROWN

Many investors ask The Financial Post how they are to choose the stocks that may prove to be the stock market leaders in the next period of rising prices. The Financial Post does not attempt to pick stocks for market appreciation.

But without prejudice and without any claim to prophetic vision, The Financial Post will publish a series of articles on good Canadian stocks that seem to meet the most obvious tests that need to be applied to good securities. The first article in the series outlined the record of some former leaders and told why some disappeared and why some remained. It also discussed some essential tests. It appeared last week.

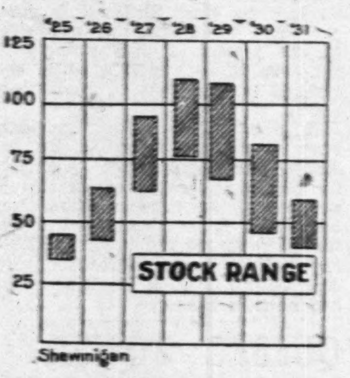
ARTICLE TWO: SHAWINIGAN

Shawinigan Water and Power Company seems to deserve a prominent place in a series on future market leaders. It is by no means intended to suggest that Shawinigan will become the favorite power stock, nor yet that at the moment, it is relatively the cheapest of its group. But in view of the importance of the electrical utilities group to which it belongs, and of its own prominence in that group as the largest privately-owned producer of electric power in Canada and one of the largest corporations of its kind in the world, in view too, of its history and market record, it seems quite unlikely that it will fail to take an important position among the leading stocks in any future Canadian bull market.

Electrical Utility

In the cheery optimism of 1929, it was urged that power stocks were entitled to sell at anywhere from twenty-five to forty or more times their annual net earnings in consideration of the record of the companies for steady growth and their prospects for continued expansion. The public's idea of a suitable ratio has changed somewhat since. Nevertheless, in the present depression, the relative stability of electrical utility earnings as compared with the marked shrinkage in the case of the average industrial does afford justification for placing a much higher valuation in proportion to net earnings on the electrical utility stock. It is true the steady upward trend has been checked. For some cases there has been a slight decline. However, if comparison is made with such groups as the steels, the coppers, the oils, or even the more stable foods, the advantage of the power stocks becomes obvious.

It has become a truism to say that this is the electrical age; and so familiar has the term become that we are apt to imagine the great period of expansion already over and the point of saturation approaching. How far from the truth this is and how much room for further development remains; a little consideration of the facts will show. Certainly, the increase in the utilization of electric power in Canada in the last twenty years or more has been amazing. From a production of a little less than 1,000,000 h.p. in 1910 to 2,500,000 h.p. in 1920 and to 6,125,000 h.p. in 1930 is an increase of about 150 per cent in each decade. It would probably be optimistic to expect the same rate of expansion in the next decade. But when we remember that less than a seventh of the known horsepower available in Canada has as yet been utilized and when we recall how inevitably cheap power attracts industry — first the large industries particularly dependent on cheap power such as the chemical industry, pulp and paper, mining and smelting etc., and then the smaller diversified groups that come later — it seems reasonable to expect continued growth. It should be remembered, too, that even where there is partial electrification, there may still be room for great development, particularly in the domestic use of electricity. How many houses in Canada (although we rank high in the per capita use of electric power) are fully equipped with electrical appliances? Many a household provided with electric lighting and with two or three minor electric appliances (a small electric iron, perhaps, along with an electric toaster) is yet a potential buyer of other electric equipment, an electric stove, an oil burner, a washing machine, a sewing-machine, an ironing machine, an electric refrigerator, a vacuum cleaner, and so on; and with every additional appliance sold, the steady demand for electric power increases.



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Shawinigan is Prominent

Granted the probability that the power stocks will be among the future market leaders, it seems equally probable that Shawinigan will continue to occupy a prominent place among them.

Its record is excellent. Ever since its incorporation in 1898, it has played a leading rôle in developing hydro-electric power in the province of Quebec. Its policy has been not only to take care of present need, but to build with an eye to the future, to encourage within its radius the growth of industries which use electric power, and even on occasion to develop such industries through subsidiaries of its own. It has acquired one long-term franchise after another; it has absorbed through exchange or purchase of stock, a network of subsidiaries, until it has grown to be a huge holding and operating company owning or controlling some 2,000,000 horsepower, actual or potential, and serving more than 400 towns and municipalities including Quebec and Montreal (where it provides power to Montreal Light, Heat and Power, the retail distributor in that district). Through various subordinate companies it shares in the retail as well as the wholesale distribution of power.

In Manufacturing Business

One of its manufacturing subsidiaries deserves special comment. Although the name and present organization date back only to 1928, when the Canadian Carbide and Canadian Electro Products—two wholly owned subsidiaries—were consolidated under the name of Shawinigan Chemicals, the company may really be considered a product of the Great War and the wartime dearth of chemicals. From comparatively small beginnings, this manufacture of chemicals has expanded into a turnover of $12,-000,000 in a single year. In connection with it, is an active research department particularly interested in the development of new products. Among its successes has been the working out of methods for the manufacture of solvents used in the lacquer industry.

During 1929 and in the early part of 1930, the plants of Shawinigan Chemicals were operated practically at capacity, and even under present conditions it has been possible to maintain a fair degree of activity.

Shawinigan Chemicals in its turn controls a subsidiary Shawinigan Stainless Steel and Alloys, incorporated in 1929. In 1930, this company was licensed by the Krupp Nirosta Company to manufacture Krupp alloys under Krupp supervision. These two companies — Shawinigan Chemicals and Shawinigan Stainless Steel — serve to link the parent company with the rapidly developing chemical industry, an association which is likely to become increasingly profitable as the years go by.

Quebec Power is Related

Among related companies should be noticed Quebec Power Company, a prosperous customer controlled by Shawinigan through stock ownership. Through this company, Shawinigan has a very direct interest in the growth and prosperity of Quebec city.

It is likewise interested in the prosperity of Montreal, though not to the same extent, through its relationship to Montreal Light, Heat and Power. Here again its interest is twofold. Montreal Light, Heat and Power is a very important customer, under a contract recently renewed for a period of 36 years. Moreover, a substantial amount of its stock is held by Shawinigan. In several ways, then, the prosperity of Shawinigan is directly dependent on the fortunes of the Province of Quebec, directly through the demand of Quebec industries for power, indirectly through the many subsidiaries which retail power to various municipalities, and indirectly again through its stockholders' interest in Montreal Light, Heat and Power, the great corporation which distributes electric power and gas to the largest city of Quebec (and of Canada, for that matter) and its suburbs.

Past Record of Growth

One of the chief reasons, then, for expecting Shawinigan to keep its place among the market leaders is its record of rapid yet steady growth over a period of three decades. The extent of the growth may be more obvious if we compare some figures from the last annual statement with the earlier period, e.g., 1909, 21 years back.

In a little more than two decades the total assets grew from $16,-405,615 to $172,990,215; funded debt from $7,900,000 to $85,215,-000; gross earnings from $819,171 to $14,954; net earnings, after operating and fixed charges, from $321,306 to $6,570,670; developed horsepower from 96,000 to 825,-650 (and at least another 30,000 h.p. since); miles of transmission and distribution lines in operation from 320 to 3,870; number of customers from 2,500 to 103,000, a remarkable record of expansion which well illustrates the claim that electric utilities tend to advance by geometrical rather than by arithmetical progression.

With such a record of physical and financial growth, it is not surprising that Shawinigan at times has become a market favorite. The experience of the investor who bought the stock in the early days and held it has been distinctly satisfactory. Dividends have been increased from time to time and the frequent issue of rights to shareholders at attractive prices has made the actual, considerately higher than the nominal yield. A financial service has calculated the average value of these rights from 1911 to 1929 at $4.46 per annum if spread over the whole period. Another service points out that a purchaser of 100 shares in 1908 at 80, if he retained his stock and sold his rights as they were issued, would now hold 440 shares of the present stock valued at $17,600 or more, even in the present market. In addition he could have sold his rights for another $10,000 or more and he would have received gradually increasing dividends throughout the period, dividends which at the present rate would amount to $1,100 per annum, 13¾ per cent on the original investment (of course it would have been still more profitable to sell the 440 shares for $111 a share—its peak in the last bull market).

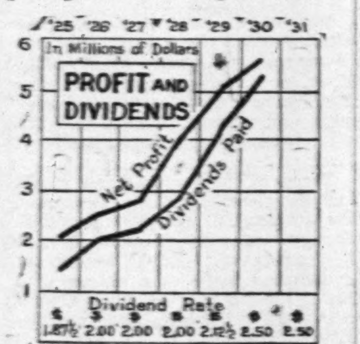

Chart by The Financial Post

Now, Looking Ahead

What of the future? Does history repeat itself? Will Shawinigan remain a favorite?

Some of the tests for future market leaders suggested in the previous article might be applied. As to history and market record there can be no doubt. As to management, the record of past successes augurs well for the future. The question of markets was referred to in connection with electrical utilities in general and the province of Quebec in particular. Here a further point might be considered. The rapid growth of Shawinigan in the last decade was partly due to the expansion of the pulp and paper industry. Since much of that expansion proved to be misguided and premature, fears were expressed that a curtailment of the demand for Shawinigan power might result. However, the management has explained that the pulp and paper industry does not take more than 20 per cent of the total production, and that other outlets are available which seem to justify the development on the St. Maurice river now in progress and to warrant the expectation that "the present margin of excess capacity, which is not great, will be absorbed and that there will exist during the fall of 1932 a demand for a substantial part of the Rapide Blanc development." As to the supply and possibilities of further expansion, it is sufficient to point out that of the potential production of more than 2,000,000 h.p. less than 900,000 has been developed.

In Good Liquid Position

As to possible competition, friendly relations have been maintained with other power companies in Quebec. Moreover the Shawinigan plant has been installed at a relatively low cost, a fact which gives it a permanent advantage in marketing its product. Nor is power, like wheat or petroleum, readily transported to distant markets to be sold at slaughter prices.

The radius of competition is limited. As to liquid resources to tide over a period of dull business, Shawinigan was never in better liquid position, thanks partly to financing on favorable terms in 1930. The last annual report showed current assets at more than $17,-000,000 with current liabilities of slightly more than $3,000,000, a current ratio of more than 5½ to 1. As to danger of political interference, Quebec province has always been more in sympathy with private ownership than are some other parts of the continent. Shawinigan has always found it possible to work in harmony with the powers that be and there seems to be no reason to anticipate greater difficulty in the future than in the past.

Current Position

At present Shawinigan is depressed marketwise (40-41) partly because of general conditions, partly perhaps because there was no great margin between last year's net ($2.65 per share before income tax) and the dividend of $2.50. However, the margin shown has usually been small; and in view of its liquid strength and enviable record, it seems probable that the Shawinigan management will decide to maintain the current rate unless earnings should drop more than is expected.

In any case it would seem that Shawinigan, from the prominent position it holds among producers of electric power in Canada, from the strength of its resources, and from its potentialities for further expansion, may very easily rank among the market leaders of the future.

QUEBEC CHAIN EXTENDS SCOPE, ADDS NEW UNITS

Victoria Independent Stores Ltd. Will Take on New Lines

Substantial changes in organization and policy of Victoria Independent Stores Ltd. have been announced that will not only broaden the field of the organization but are expected to result in improvement in operating methods and a reconstruction of the wholesale end of the business. The group now consists of 580 retail grocery and general store outlets operating from Ottawa to Sydney, Cape Breton.

Formed in 1927 under the sponsorship of Laporte, Martin Ltd., Montreal wholesale firm, 100 units were operating at the end of the first year, increased to 300 in 1928, 500 in 1929 and nearly 600 in 1930. Under the present plan, Victoria Independent Stores Ltd. will be the central organization and will manufacture certain specialties including tea, coffee, extracts, spices, jellies, etc., will act as the central buying organization and will handle all merchandising problems and advertising.

Add Wholesalers

A new group of wholesale dealers has been added who will act as district wholesalers for the Victoria stores in their districts. Each wholesaler has a contract with the company and also a financial interest. Retail members of the organization have signed a new contract with the company and will buy exclusively from the district wholesaler. Each retailer has a stock interest in the company and will participate in the profits of the organization. It is expected that, with the addition of the new wholesale members, a number of new retail members will be obtained.

To date the following wholesalers have joined the company: Nazaire Turcotte & Cie Enrg., Quebec; P. D'Aoust & Cie, Ottawa; Sherbrooke Provision Ltd., Sherbrooke; and Laporte, Martin, Ltd., Montreal. Additional wholesale members operating in other sections of Quebec and in the Maritimes will be secured and it is proposed to have a wholesale member in each centre of Eastern Canada from Ottawa to the Atlantic coast. The combined purchases of the wholesalers, made through the company, will amount to a large volume of business.

Add New Lines

While each unit will remain separate as to the benefits from individual activities, each unit will benefit from the close co-operation with other units in central purchasing, merchandising and advertising activities. Economies effected will result in lower prices to the consumer, it is anticipated. While the group has operated in the grocery and general store fields in the past, activities will shortly be extended to include flour, biscuits, packing house products, boots and shoes, rubber goods, dry goods, hardware, paints, drugs, smallwares, crockery and other major lines sold by general merchants.

In each case, the wholesale function will be performed by one or more wholesale units presently engaged in business, but with certain advantages to them and to the Victoria Stores members, with the object in view of passing a large part of the benefits to the consumer in the form of better merchandise, and better service. The last decade has seen a vast improvement in manufacturing processes and lower production costs. Distribution costs have not decreased, but on the contrary, have increased. These must now be reduced through the elimination of duplication and high distributing costs.

The last details of organization of the Victoria Independent Stores Ltd. are being dealt with. The company started operations on July 1.

The board of directors, composed of men prominent in the wholesale business, is as follows: Sir Hormisdas Laporte, P.C.K.B., chairman of the board; P. J. Bazin, president of Nazaire Turcotte Cie Reg., Quebec, president; J. A. Laporte, representing Montreal district, vice-president and managing director; Henri Bazin, manager of Nazaire Turcotte Cie Regd., representing Quebec district; J. V. Cholette, president of P. Daoust & Cie, representing Ottawa district; Gédéon Nadeau, managing director of Sherbrooke Provision Limited, representing Sherbrooke district; Harry Thorpe, president Murphy Varnish Co. Ltd. The two remaining vacancies on the board will be filled shortly.

The headquarters of the company will be situated at 640 St. Paul St., West, Montreal.

Manitoba Accountants Hold Annual Meeting

Institute of Chartered Accountants of Manitoba held its forty-fifth annual meeting on June 29, at Lower Fort Garry. Following the business meeting the president presented certificates of membership to the successful candidates in the recent final examinations.

First prize and the War Memorial gold medal were won by Lawrence Macpherson, the silver medal in the intermediate examination going to E. P. McGavin. Officers of the institute were elected for the ensuing year, as follows: J. Macdonald, president, K. Drennan, vice-president, and F. C. Gilbert, secretary.

RELIANCE GRAIN PROFITS TO SHOW SOUND INCREASE

Only Grain Company to Continue Payments on Preferred

From Our Own Correspondent

MONTREAL.—Earnings of Reliance Grain Co. in the fiscal year ended July 31 are expected to be sufficient to cover preferred dividend by a fair margin. Though no official statement is forthcoming it was stated early this year that profits in the first half of the fiscal period were equal to bond interest and preferred dividend needs for the entire year as well as provision for six months depreciation.

It is understood that operations for the last half of the year have been relatively satisfactory though the company faces, in common with other grain companies, the prospect of a small crop in the coming season.

Only Preferred Payer

Reliance Grain is the only grain company, in which there is an investment interest, which continues to pay dividends on its preferred shares. While some companies discontinued payments early this year others have maintained their disbursements until recently, when in view of prospects for a lean year ahead it was deemed wise to conserve cash, though the dividend was earned.

On the whole, handling and earnings of grain companies have shown an improvement during the current crop year as compared with the disastrous period embodied in the last season. Grain has been moving more easily while the companies have not been faced with the drastic decline in wheat prices which took place in 1930.

Reliance Suffered Deficit

Reliance Grain earnings in the year ended July 31, 1930, did not escape unscathed. Operating profit dropped from $1,049,935 in the previous year to $110,132 which was not sufficient to cover bond interest of $118,610. Preferred dividends, totalling $130,000, left a deficit of $138,478 for the year.

Whether the company will follow the example of some of its confrères in omitting preferred dividends in face of this year's crop remains to be seen. Through a subsidiary, Province Elevator Co., Reliance Grain owns and operates 158 line elevators in the three prairie provinces having a total storage capacity of 6,100,000 bushels.

B. A. Officials State Attitude Toward Labor

Referring to quotations from a labor publication, published in the United States, regarding the labor policy of British America Oil Co., which were recently read in the House of Commons by the Hon. Peter Heenan, officials of the company have sent a memorandum to the Hon. R. B. Bennett definitely contradicting the statements that had been made.

Employees of the company have a works committee which meets with the management and never has there been a demand for increased wages or a strike. Present rates of wages are stated to be not below the rates effective during the war period and subsequent thereto. It is pointed out that construction on the refinery at Montreal is mainly under contract to various firms and such work that is being done by the company is being paid for at prevailing rates for similar work in Montreal.

No labor organization, or individual, has made complaint to the company regarding wage rates, it is stated, and the policy of the company, since incorporation in 1906, has been favorable to labor. The company insures the lives of employees and also contributes to a sick benefit fund.

July Heat Wave Damages Pea Crop

The devastating effect of the sizzling hot spell Ontario experienced during the early days of July has seriously affected the pea crop, according to Canadian Grocer. In consequence of the havoc wrought, the canned pea pack is not expected to exceed one-half what it would have otherwise been. Some parts of the country indicate that the pack will not be more than 40 per cent of what was expected, or only about 30 per cent of what it was in 1930. If this is so it means that the total for Canada will be something like 800,000 cases as against last year's 2,550,-000 cases.

In the first place, acreage had been cut by approximately 40 per cent. Some canners did not pack at all. The hot weather has accentuated the reduction, and it is further doubted if there will be any late peas canned this year.

Prices will probably be higher than last year, some firms having holdovers having brought their prices up 20 to 25 cents per dozen above the low of the past season.

The hot wave came a little too early, Canadian Grocer points out, to do serious damage to tomatoes, while corn has not suffered at all as yet. Strawberries were not affected, the pack of strawberry jam being well over before the first of the month. The raspberry season had not started in earnest, and this fruit withstood the heat fairly well, though no large crop is anticipated. The cherry crop also is a comparatively small one.

Governments in Accord on N. B.-Quebec Bridge

From Our Own Correspondent

MONTREAL — Arrangements between the provinces of Quebec and New Brunswick for construction of an international bridge across the Restigouche river, joining Cross Point in Quebec with Campbellton, N.B., have been completed at a conference between representatives of the two governments concerned. The federal government is being asked to contribute one-third of the cost, which has been estimated at $1,500,-000.

Plans, already approved by engineers of the two provinces, call for a span of 4,060 feet in length with superstructure of steel and provision for vehicular traffic, and sidewalks for pedestrians.

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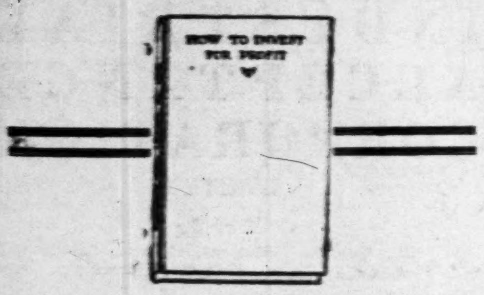
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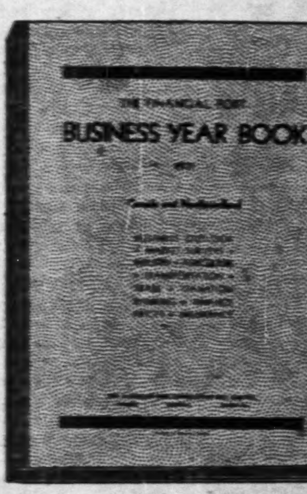

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TRUST AND LOAN PROFITS FOR 1930 ON LOWER SCALE

Low Wheat Prices Make It Difficult to Meet Charges

From Our Own Correspondent

MONTREAL.—Wheat prices and their effect on land values in the West played an important part in remarks made at the annual meeting of shareholders of the Trust and Loan Co. of Canada by Colonel Sidney Peel, president of the company. The meeting was held in London, England.

After reviewing profits for the year ended March 31, 1931, amounting to £76,480 as compared with £91,038 in the previous year, he turned to the general position of the company's affairs in Canada.

Tribute to Borrowers

He found that it was not surprising that farmers found it difficult to meet their obligations with wheat at 58 cents a bushel, especially as that price had to include freight charges of around 14 cents a bushel for average points in Saskatchewan and a similar sum for harvesting costs. Colonel Peel paid a tribute to the efforts the company's borrowers had made to meet their payments when due; collections were greater, he said than might have been expected.

Valuation Difficulties

He then turned to land values observing that under present conditions it does not appear possible to form an opinion of land investments. He continued:

"I do not take it to mean that the experienced valuer today cannot value a particular piece of land in Canada in accordance with the usual rules, including the assumption of a willing purchaser. But, under the influence of the fall in price of its products, agricultural land may be expected to fall in value. On a falling market buyers are very reluctant to come forward and for the time being the market becomes very uncertain and at times non-existent. At such times it may be impossible, until the future has become less obscure, to form an opinion of a large number of parcels of land taken as a whole.

"That does not mean, however, that land, even in the most depressed parts of the agricultural West, has got no value at all. There have been depressions of equal or worse local intensity, due to a series of bad seasons or other general causes,—they have always passed away. I firmly believe that the present depression is a depression and therefore capable of remedy, and not a permanent condition of affairs."

Mortgages Show Decline

Reviewing the company's mortgages of which $15,292,175 are outstanding, he stated that there was a total of $9,282,936 on farms in Manitoba and Saskatchewan and $6,009,239 in mortgages on city property. So far the mortgages have given little trouble, total arrears at March 31, 1931, were less than half of one per cent. Mortgages of the company at the end of the previous year were $15,784,000.

Overdue interest now stands at $684,011 an increase over the previous year of $350,430. About 75 per cent of this increase has been taken into the year's revenue. Reserves are available, it was stated, to cover all the overdue interest and 55 per cent of the land investments shown in the balance sheet at $1,752,000.

Colonel Peel stated that the company is not making any effort to put new money out on mortgage at present; it is trying to strengthen its cash position.

Stock Market Leaders of Tomorrow

Shawinigan's Past Record and Excellent Prospects Give It Place in List of Possible Ones

By GRANT BROWN

Many investors ask The Financial Post how they are to choose the stocks that may prove to be the stock market leaders in the next period of rising prices. The Financial Post does not attempt to pick stocks for market appreciation.

But without prejudice and without any claim to prophetic vision, The Financial Post will publish a series of articles on good Canadian stocks that seem to meet the most obvious tests that need to be applied to good securities. The first article in the series outlined the record of some former leaders and told why some disappeared and why some remained. It also discussed some essential tests. It appeared last week.

ARTICLE TWO; SHAWINIGAN

Shawinigan Water and Power Company seems to deserve a prominent place in a series on future market leaders. It is by no means intended to suggest that Shawinigan will become the favorite power stock, nor yet that at the moment, it is relatively the cheapest of its group. But in view of the importance of the electrical utilities group to which it belongs, and of its own prominence in that group as the largest privately-owned producer of electric power in Canada and one of the largest corporations of its kind in the world, in view too, of its history and market record, it seems quite unlikely that it will fail to take an important position among the leading stocks in any future Canadian bull market.

Electrical Utility

In the cheery optimism of 1929, it was urged that power stocks were entitled to sell at anywhere from twenty-five to forty or more times their annual net earnings in consideration of the record of the companies for steady growth and their prospects for continued expansion. The public's idea of a suitable ratio has changed somewhat since. Nevertheless, in the present depression, the relative stability of electrical utility earnings as compared with the marked shrinkage in the case of the average industrial does afford justification for placing a much higher valuation in proportion to net earnings on the electrical utility stock. It is true the steady upward trend has been checked. For some cases there has been a slight decline. However, if comparison is made with such groups as the steels, the coppers, the oils, or even the more stable foods, the advantage of the power stocks becomes obvious.

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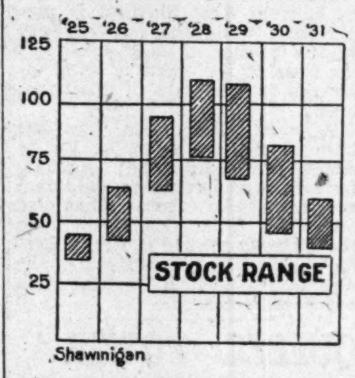

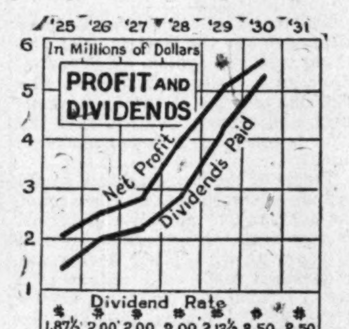

Chart by The Financial Post

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In Manufacturing Business

One of its manufacturing subsidiaries deserves special comment. Although the name and present organization date back only to 1928, when the Canadian Carbide and Canadian Electro Products—two wholly owned subsidiaries—were consolidated under the name of Shawinigan Chemicals, the company may really be considered a product of the Great War and the wartime dearth of chemicals. From comparatively small beginnings, this manufacture of chemicals has expanded into a turnover of $12,000,000 in a single year. In connection with it, is an active research department particularly interested in the development of new products. Among its successes has been the working out of methods for the manufacture of solvents used in the lacquer industry.

During 1929 and in the early part of 1930, the plants of Shawinigan Chemicals were operated practically at capacity, and even under present conditions it has been possible to maintain a fair degree of activity.

Shawinigan Chemicals in its turn controls a subsidiary Shawinigan Stainless Steel and Alloys, incorporated in 1929. In 1930, this company was licensed by the Krupp Nirosta Company to manufacture Krupp alloys under Krupp supervision. These two companies — Shawinigan Chemicals and Shawinigan Stainless Steel — serve to link the parent company with the rapidly developing chemical industry, an association which is likely to become increasingly profitable as the years go by.

Quebec Power is Related

Among related companies should be noticed Quebec Power Company, a prosperous customer controlled by Shawinigan through stock ownership. Through this company, Shawinigan has a very direct interest in the growth and prosperity of Quebec city.

It is likewise interested in the prosperity of Montreal, though not to the same extent, through its relationship to Montreal Light, Heat and Power. Here again its interest is twofold. Montreal Light, Heat and Power is a very important customer, under a contract recently renewed for a period of 36 years. Moreover, a substantial amount of its stock is held by Shawinigan. In several ways, then, the prosperity of Shawinigan is directly dependent on the fortunes of the Province of Quebec, directly through the demand of Quebec industries for power, indirectly through the many subsidiaries which retail power to various municipalities, and indirectly again through its stockholders' interest in Montreal Light, Heat and Power, the great corporation which distributes electric power and gas to the largest city of Quebec (and of Canada, for that matter) and its suburbs.

Past Record of Growth

One of the chief reasons, then, for expecting Shawinigan to keep its place among the market leaders is its record of rapid yet steady growth over a period of three decades. The extent of the growth may be more obvious if we compare some figures from the last annual statement with the earlier period, e.g., 1909, 21 years back.

In a little more than two decades the total assets grew from $16,405,615 to $172,990,215; funded debt from $7,900,000 to $85,215,000; gross earnings from $819,171 to $14,954; net earnings, after operating and fixed charges, from $321,306 to $6,570,670; developed horsepower from 96,000 to 825,650 (and at least another 30,000 h.p. since); miles of transmission and distribution lines in operation from 320 to 3,870; number of customers from 2,500 to 103,000, a remarkable record of expansion which well illustrates the claim that electric utilities tend to advance by geometrical rather than by arithmetical progression.

With such a record of physical and financial growth, it is not surprising that Shawinigan at times has become a market favorite. The experience of the investor who bought the stock in the early days and held it has been distinctly satisfactory. Dividends have been increased from time to time and the frequent issue of rights to shareholders at attractive prices has made the actual, considerately higher than the nominal yield. A financial service has calculated the average value of these rights from 1911 to 1929 at $4.46 per annum if spread over the whole period. Another service points out that a purchaser of 100 shares in 1908 at 80, if he retained his stock and sold his rights as they were issued, would now hold 440 shares of the present stock valued at $17,600 or more, even in the present market. In addition he could have sold his rights for another $10,000 or more and he would have received gradually increasing dividends throughout the period, dividends which at the present rate would amount to $1,100 per annum, 13¾ per cent on the original investment (of course it would have been still more profitable to sell the 440 shares for $111 a share—its peak in the last bull market).

Now, Looking Ahead

What of the future? Does history repeat itself? Will Shawinigan remain a favorite?

Some of the tests for future market leaders suggested in the previous article might be applied. As to history and market record there can be no doubt. As to management, the record of past successes augurs well for the future. The question of markets was referred to in connection with electrical utilities in general and the province of Quebec in particular. Here a further point might be considered. The rapid growth of Shawinigan in the last decade was partly due to the expansion of the pulp and paper industry. Since much of that expansion proved to be misguided and premature, fears were expressed that a curtailment of the demand for Shawinigan power might result. However, the management has explained that the pulp and paper industry does not take more than 20 per cent of the total production, and that other outlets are available which seem to justify the development on the St. Maurice river now in progress and to warrant the expectation that "the present margin of excess capacity, which is not great, will be absorbed and that there will exist during the fall of 1932 a demand for a substantial part of the Rapide Blanc development." As to the supply and possibilities of further expansion, it is sufficient to point out that of the potential production of more than 2,000,000 h.p. less than 900,000 has been developed.

In Good Liquid Position

As to possible competition, friendly relations have been maintained with other power companies in Quebec. Moreover the Shawinigan plant has been installed at a relatively low cost, a fact which gives it a permanent advantage in marketing its product. Nor is power, like wheat or petroleum, readily transported to distant markets to be sold at slaughter prices.

The radius of competition is limited. As to liquid resources to tide over a period of dull business, Shawinigan was never in better liquid position, thanks partly to financing on favorable terms in 1930. The last annual report showed current assets at more than $17,000,000 with current liabilities of slightly more than $3,000,000, a current ratio of more than 5½ to 1. As to danger of political interference, Quebec province has always been more in sympathy with private ownership than are some other parts of the continent. Shawinigan has always found it possible to work in harmony with the powers that be and there seems to be no reason to anticipate greater difficulty in the future than in the past.

Current Position

At present Shawinigan is depressed marketwise (40-41) partly because of general conditions, partly perhaps because there was no great margin between last year's net ($2.65 per share before income tax) and the dividend of $2.50. However, the margin shown has usually been small; and in view of its liquid strength and enviable record, it seems probable that the Shawinigan management will decide to maintain the current rate unless earnings should drop more than is expected.

In any case it would seem that Shawinigan, from the prominent position it holds among producers of electric power in Canada, from the strength of its resources, and from its potentialities for further expansion, may very easily rank among the market leaders of the future.

QUEBEC CHAIN EXTENDS SCOPE, ADDS NEW UNITS

Victoria Independent Stores Ltd. Will Take on New Lines

Substantial changes in organization and policy of Victoria Independent Stores Ltd. have been announced that will not only broaden the field of the organization but are expected to result in improvement in operating methods and a reconstruction of the wholesale end of the business. The group now consists of 580 retail grocery and general store outlets operating from Ottawa to Sydney, Cape Breton.

Formed in 1927 under the sponsorship of Laporte, Martin Ltd., Montreal wholesale firm, 100 units were operating at the end of the first year, increased to 300 in 1928, 500 in 1929 and nearly 600 in 1930. Under the present plan, Victoria Independent Stores Ltd. will be the central organization and will manufacture certain specialties including tea, coffee, extracts, spices, jellies, etc., will act as the central buying organization and will handle all merchandising problems and advertising.

Add Wholesalers

A new group of wholesale dealers has been added who will act as district wholesalers for the Victoria stores in their districts. Each wholesaler has a contract with the company and also a financial interest. Retail members of the organization have signed a new contract with the company and will buy exclusively from the district wholesaler. Each retailer has a stock interest in the company and will participate in the profits of the organization. It is expected that, with the addition of the new wholesale members, a number of new retail members will be obtained.

To date the following wholesalers have joined the company: Nazaire Turcotte & Cie Enrg., Quebec; P. D'Aoust & Cie, Ottawa; Sherbrooke Provision Ltd., Sherbrooke; and Laporte, Martin, Ltd., Montreal. Additional wholesale members operating in other sections of Quebec and in the Maritimes will be secured and it is proposed to have a wholesale member in each centre of Eastern Canada from Ottawa to the Atlantic coast. The combined purchases of the wholesalers, made through the company, will amount to a large volume of business.

Add New Lines

While each unit will remain separate as to the benefits from individual activities, each unit will benefit from the close co-operation with other units in central purchasing, merchandising and advertising activities. Economies effected will result in lower prices to the consumer, it is anticipated. While the group has operated in the grocery and general store fields in the past, activities will shortly be extended to include flour, biscuits, packing house products, boots and shoes, rubber goods, dry goods, hardware, paints, drugs, smallwares, crockery and other major lines sold by general merchants.

In each case, the wholesale function will be performed by one or more wholesale units presently engaged in business, but with certain advantages to them and to the Victoria Stores members, with the object in view of passing a large part of the benefits to the consumer in the form of better merchandise, and better service. The last decade has seen a vast improvement in manufacturing processes and lower production costs. Distribution costs have not decreased, but on the contrary, have increased. These must now be reduced through the elimination of duplication and high distributing costs.

The last details of organization of the Victoria Independent Stores Ltd. are being dealt with. The company started operations on July 1.

The board of directors, composed of men prominent in the wholesale business, is as follows: Sir Hormisdas Laporte, P.C.K.B., chairman of the board; P. J. Bazin, president of Nazaire Turcotte Cie Reg., Quebec, president; J. A. Laporte, representing Montreal district, vice-president and managing director; Henri Bazin, manager of Nazaire Turcotte Cie Regd., representing Quebec district; J. V. Cholette, president of P. Daoust & Cie, representing Ottawa district; Gédéon Nadeau, managing director of Sherbrooke Provision Limited, representing Sherbrooke district; Harry Thorpe, president Murphy Varnish Co. Ltd. The two remaining vacancies on the board will be filled shortly.

The headquarters of the company will be situated at 640 St. Paul St., West, Montreal.

Manitoba Accountants Hold Annual Meeting

Institute of Chartered Accountants of Manitoba held its forty-fifth annual meeting on June 29, at Lower Fort Garry. Following the business meeting the president presented certificates of membership to the successful candidates in the recent final examinations.

First prize and the War Memorial gold medal were won by Lawrence Macpherson, the silver medal in the intermediate examination going to E. P. McGavin. Officers of the institute were elected for the ensuing year, as follows: J. Macdonald, president, K. Drennan, vice-president, and F. C. Gilbert, secretary.

RELIANCE GRAIN PROFITS TO SHOW SOUND INCREASE

Only Grain Company to Continue Payments on Preferred

From Our Own Correspondent

MONTREAL.—Earnings of Reliance Grain Co. in the fiscal year ended July 31 are expected to be sufficient to cover preferred dividend by a fair margin. Though no official statement is forthcoming it was stated early this year that profits in the first half of the fiscal period were equal to bond interest and preferred dividend needs for the entire year as well as provision for six months depreciation.

It is understood that operations for the last half of the year have been relatively satisfactory though the company faces, in common with other grain companies, the prospect of a small crop in the coming season.

Only Preferred Payer

Reliance Grain is the only grain company, in which there is an investment interest, which continues to pay dividends on its preferred shares. While some companies discontinued payments early this year others have maintained their disbursements until recently, when in view of prospects for a lean year ahead it was deemed wise to conserve cash, though the dividend was earned.

On the whole, handling and earnings of grain companies have shown an improvement during the current crop year as compared with the disastrous period embodied in the last season. Grain has been moving more easily while the companies have not been faced with the drastic decline in wheat prices which took place in 1930.

Reliance Suffered Deficit

Reliance Grain earnings in the year ended July 31, 1930, did not escape unscathed. Operating profit dropped from $1,049,935 in the previous year to $110,132 which was not sufficient to cover bond interest of $118,610. Preferred dividends, totalling $130,000, left a deficit of $138,478 for the year.

Whether the company will follow the example of some of its confrères in omitting preferred dividends in face of this year's crop remains to be seen. Through a subsidiary, Province Elevator Co., Reliance Grain owns and operates 158 line elevators in the three prairie provinces having a total storage capacity of 6,100,000 bushels.

B. A. Officials State Attitude Toward Labor

Referring to quotations from a labor publication, published in the United States, regarding the labor policy of British America Oil Co. which were recently read in the House of Commons by the Hon. Peter Heenan, officials of the company have sent a memorandum to the Hon. R. B. Bennett definitely contradicting the statements that had been made.

Employees of the company have a works committee which meets with the management and never has there been a demand for increased wages or a strike. Present rates of wages are stated to be not below the rates effective during the war period and subsequent thereto. It is pointed out that construction on the refinery at Montreal is mainly under contract to various firms and such work that is being done by the company is being paid for at prevailing rates for similar work in Montreal.

No labor organization, or individual, has made complaint to the company regarding wage rates, it is stated, and the policy of the company, since incorporation in 1906, has been favorable to labor. The company insures the lives of employees and also contributes to a sick benefit fund.

July Heat Wave Damages Pea Crop

The devastating effect of the sizzling hot spell Ontario experienced during the early days of July has seriously affected the pea crop, according to Canadian Grocer. In consequence of the havoc wrought, the canned pea pack is not expected to exceed one-half what it would have otherwise been. Some parts of the country indicate that the pack will not be more than 40 per cent of what was expected, or only about 30 per cent of what it was in 1930. If this is so it means that the total for Canada will be something like 800,000 cases as against last year's 2,550,000 cases.

In the first place, acreage had been cut by approximately 40 per cent. Some canners did not pack at all. The hot weather has accentuated the reduction, and it is further doubted if there will be any late peas canned this year.

Prices will probably be higher than last year, some firms having holdovers having brought their prices up 20 to 25 cents per dozen above the low of the past season.

The hot wave came a little too early, Canadian Grocer points out, to do serious damage to tomatoes, while corn has not suffered at all as yet. Strawberries were not affected, the pack of strawberry jam being well over before the first of the month. The raspberry season had not started in earnest, and this fruit withstood the heat fairly well, though no large crop is anticipated. The cherry crop also is a comparatively small one.

Governments in Accord on N. B.-Quebec Bridge

From Our Own Correspondent

MONTREAL — Arrangements between the provinces of Quebec and New Brunswick for construction of an international bridge across the Restigouche river, joining Cross Point in Quebec with Campbellton, N.B., have been completed at a conference between representatives of the two governments concerned. The federal government is being asked to contribute one-third of the cost, which has been estimated at $1,500,000.

Plans, already approved by engineers of the two provinces, call for a span of 4,060 feet in length with superstructure of steel and provision for vehicular traffic, and sidewalks for pedestrians.

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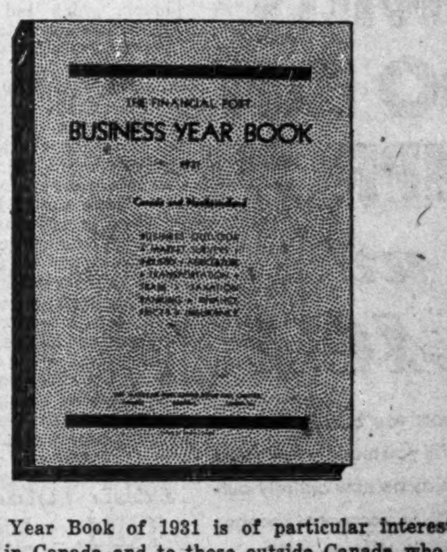

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B. C. Shipments Down

Lumber exports for May from British Columbia totalled 53,495,398 feet board measure. Shipments from Washington, Oregon and British Columbia for first five months of 1931 were 20 per cent lower than for first five months of 1930.

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Utilities and Transportation

RIGHTS OFFERED TO SHAREHOLDERS OF MARITIME TEL.

New Funds Will Remedy Lack of Working Capital

From Our Own Correspondent

MONTREAL.—Common and preferred shareholders of Maritime Telegraph and Telephone Co. of record June 25, have been offered rights to subscribe to additional common stock at $9.80 a share, on the basis of one new share for each five held. Rights will expire August 31, 1931.

There is presently outstanding $1,500,000 of preferred and $2,660,220 of common stock, both of $10 par value. Sale of the rights should net the company $815,399 on this basis. The last offer of rights to shareholders was made in November, 1929, when shareholders were offered the privilege of purchasing shares at $10 on a basis similar to the present offering.

Lack Working Capital

The last balance sheet of Maritime Telegraph and Telephone, as at December 31, 1930, showed the need of further financing. Current liabilities totalled $627,885 as compared with current assets of $371,419, an excess of $256,466. Bank loans, which had not appeared in the financial statement for the previous seven years, were largely responsible for this situation and amounted to $350,366.

The funds accruing from the present sale of stock will be used to liquidate the bank loan and to provide money for capital expenditures presently under way.

Made Large Expenditures

Further sums have been spent in Halifax in switching telephone service over to the dial system; this change, which has been proceeding for the past two years, has been completed at substantial cost.

Earnings of the company in 1930 were equal, after all deductions, to 79 cents a share on the 266,022 common shares outstanding. A dividend of 8 per cent, or 80 cents a share, is paid on the common stock.

BELL TELEPHONE TOLL MESSAGES HOLDING UP WELL

Long Distance Calls First Five Months Only Off 1 Per Cent

From Our Own Correspondent

MONTREAL.—Bell Telephone Co. of Canada reports that revenue from long distance messages for the first five months of this year was only about 1 per cent less than for the same period in 1930, which in turn was an increase over the corresponding months of 1929.

Over 85 per cent of all the company's long distance calls are now completed while the calling subscriber remains at the telephone. The average time to complete connections has been reduced to 1.8 minutes.

Dividend Needs Larger

Though no mention is made of the regular revenue from subscribers service, it is understood that income for the year is still running somewhat behind that reported for 1930, when the company failed to meet its dividend requirements of $5,681,072 by $264,744.

The extension of plant facilities to take care of the growing demands of business over the past two years, necessitated a very heavy capital outlay on which the company is not yet receiving an adequate return. In this respect, the experience of the Bell Telephone Co. is similar to that of many other public utilities.

Home Oil Now Listed

From Our Own Correspondent

MONTREAL.—Montreal Curb Market announces that Home Oil shares, now traded in on the unlisted section, have been transferred to the listed department.

Can. Northern Output Higher By 14 Per Cent

From Our Own Correspondent

MONTREAL.—Output of Canada Northern Power Corp. in the first five months of the current year showed an increase of 14 per cent over the same period a year ago. Production in May totalled 34,957,590 kw.h., a record and a gain of some 746,000 kw.h. over the previous month.

The increase is a reflection of production from the company's development at the Upper Notch on the Montreal River, which was brought into operation late last year, together with sustained demand from the gold mining industry in the territory served.

Earnings Show Gain

Earnings in 1931 have also showed improvement. For the five months ended May 31 gross earnings were higher by 3.88 per cent while operating expenses increased by 2.59 per cent leaving a net for the period of $945,908 as compared with $905,314 in 1930, or a gain of 4.48 per cent.

Following a betterment in earnings the dividend on the common stock was increased in January of this year from an annual basis of 60 cents to 80 cents a share. Earnings in 1930, after all charges, were equal to 71 cents a share on the 375,000 shares of no par common stock outstanding.

Outline Mining Activity

Details of activity in the gold mining district served by Canada Northern Power are given in a letter sent by the company to shareholders accompanying cheques for the preferred dividend for the quarter ended June 30. This missive states in part:

"In addition to the progress of expansion at the producing mines, renewed activity is becoming manifest at both the easterly and westerly ends of the Kirkland Lake gold camp, as evidenced by the resumption of operations at the Bidgood Mines in Lebel Township to the east, and at the Macassa Mines adjoining Kirkland Lake Gold Mines on the west, both of which are now utilizing power from our system.

"The new mill at the McIntyre-Porcupine Mines has been completed, and is now in full operation. In the Northern Quebec district, construction work has been commenced at the Aldermac Mines and good progress is being made with the new mill. There is also considerable activity in other sections of this field which is attracting attention.

"A renewal of the municipal franchise covering the supply of light and power to the Township of Bucke, was voted on by the electors of that municipality on May 15th, with the result that the by-law granting the franchise was carried by a substantial majority.

"Our merchandising department has just completed a series of successful electrical appliance campaigns, resulting in the installation of liberal quotas of electric ranges, refrigerators and washing machines. The company's ground wood pulp mill has been in steady operation during the quarter. From the foregoing brief resume, it will be seen that the progress of your company is most satisfactory, and there is every indication that this gratifying state of affairs will continue."

NATIONAL STEEL CAR TO COVER DIVIDENDS

Plant Operations at Low Level at Present Time

From Our Own Correspondent

MONTREAL.—Annual report of National Steel Car Corp. for the fiscal year ended June 30, which will probably make its appearance toward the end of July, is expected to show the dividend of $2 on the capital stock earned. There are 130,000 shares of no par value outstanding.

Plant operations are restricted at the present time since the company has completed its major contracts awarded earlier in the year and the railroads have not made any substantial commitments in recent months.

The company's expansion into the boatbuilding business has been attended with satisfactory results. Though last year's activities in this connection might be described as largely experimental, production is now on a commercial basis and it is the belief of the management that this arm of the business will justify itself as a revenue producer.

In the fiscal year ended June 30, 1930, National Steel Car Corp.'s earnings totalled $1,803,791 or the equivalent of $8.83 a share on the common stock. This figure included substantial provision for depreciation and a special write-off on buildings, machinery and equipment.

Verdun Approves Deal With Montreal Power

From Our Own Correspondent

MONTREAL.—Verdun Civic council has approved of the sale of the municipal electric system to Montreal Light, Heat and Power Consold. for $300,000. Third and final reading of the by-law will take place at the next public meeting of the council previous to the referendum to be held by the taxpayers.

Sale of the municipal electric light system will become effective as soon as approval is given by the taxpayers and the Metropolitan Commission. The municipality will receive $300,000 in exchange of all its electric apparatus, which will include the generating plant. Montreal Power will supply all Verdun residents with electricity.

B. C. Electric Railway Appliance Sales Drop

From Our Own Correspondent

MONTREAL — Gas appliance sales of B. C. Electric Railway Co. in May, 1931, had a value of $20,875 and an estimated annual revenue of $13,998. This compares with $23,140 and $11,910 respectively in May, 1930.

Of electric appliances there were 1,145 sold in May, 1931, having an equivalent in Kw. connected of 1,048 kw. and an estimated annual revenue of $8,858. In the same month last year there were sold 1,519 appliances. The connected equivalent was slightly lower at 1,038 kw. and estimated annual revenue was also down at $8,344.

U. S. Flooring Firm to Build in Toronto

Another branch-plant of a U. S. A. concern that will be establihsed in Canada is that of the E. L. Bruce Co. of Memphis, Tennessee, which has completed arrangements to build a factory in Toronto in the near future, according to the Toronto Industrial Commission.

E. L. Bruce Co. is hailed as the largest manufacturer of oak flooring in the world, having ten plants and saw mills in six southern and middle western states.

SURVEY STARTED ON DAUPHIN RIVER POWER PROJECT

Engineers Investigate Plan to Develop 400,000 Horsepower

MONTREAL. — The Manitoba Government has dispatched a party of engineers and surveyors to investigate a possible hydro-electric development on the Dauphin River where, it has been estimated, some 400,000 h.p. might be generated at a point on the river 140 miles from Winnipeg. The project would entail the diversion of the Saskatchewan River through Lakes Winnipegosis, and Manitoba, to augment the flow in the Dauphin.

Topographical and hydro surveys will be pushed on rapidly throughout the summer to ascertain facts respecting the potential development which was outlined by Premier Bracken before the Manitoba legislature last February. An outstanding feature of the scheme is that power might be developed 100 miles closer to Winnipeg than the natural power sites which could be utilized at Grand Rapids on the Saskatchewan River.

Large Reservoir Capacity

Of primary importance is the increased amount of power expected from the diversion project. As against any ordinary plan of development of power on the Saskatchewan River, without storage reservoirs and subject to widely varying seasonal conditions of flow, the proposed scheme offers, it is claimed, the advantages of large reservoir capacity in the two lakes and a regulated flow for power development through the Dauphin River.

In addition to the works projected on the river, dam sites will have to be investigated. The main dam proposed is on the Saskatchewan at Cedar Lake where the river, which traverses the three prairie provinces, would be turned aside just before reaching its outlet into Lake Winnipeg, and caused to flow over into Lake Winnipegosis.

Cut Diversion Channel

The proposed diversion channel from Cedar Lake to Lake Winnipegosis would only entail a cut of a few miles, and then the water would flow by natural channels to the lower of the two reservoir lakes, or Lake Manitoba, and thence to the Dauphin River on its route to Lake Winnipeg.

For the past two years there has been a relatively poor flow in the Winnipeg River, which presently generates the hydro power needs for the city of Winnipeg. Indications are with the present subnormal flow that the city will be faced with a power shortage later in the year.

The latest addition to hydro-electric production in Manitoba is the plant of the Northwestern Power Co. at Seven Sisters Falls, where initial units of an ultimate 225,000 h.p. development were recently brought into production.

PLAN PREPARED BY POWER CORP. FOR REGINA GAS

Embodies Scheme to Obtain Supplies from Bowdoin

From Our Own Correspondent

MONTREAL. — Power Corp. of Canada has prepared a 20-year exclusive natural gas franchise agreement, which it will submit to the Regina city council. With Power Corp. is allied the Tenney-Williams interests of Minneapolis and Nesbitt, Thomson and Co., of Montreal, whose former proposal was rejected by last year's council in favor of submitting a proposition of Tri-Cities Utilities Ltd. to a popular vote.

The draft agreement to be submitted by Power Corp. is based on the use of gas from the Bowdoin field in Montana, 170 miles southwest of Regina. There is also a proviso that Saskatchewan gas, if found tributary to the company's pipe line from Bowdoin, will be utilized.

Will Seek Local Gas

The agreement contains a clause in which it is stated that reasonable efforts to obtain a supply of gas in southern Saskatchewan will be made, although it is planned to hold the Bowdoin supply in reserve at all times.

It is agreed to supply city consumers with Saskatchewan gas providing such gas can be obtained and supplied to consumers in the city at rates as low and on terms and conditions as favorable as from Bowdoin.

Tri-Cities in Picture

Another proposition is likely to be submitted by C. O. Moore, of the Tri-Cities Utilities Ltd.

Last year Regina received four separate offers from different interests soliciting a franchise. The city employed a gas expert to report on the different offers and to select the one most favorable to the city. The choice fell on that of Tri-Cities Utilities but ratepayers voted down the proposition.

B. C. Electric Takes Second Prize for Ads

The B. C. Electric Railway company has won the second awards for the best street car cards in the Better Copy Contest held by the Public Utility Advertising Association as regards both the electric and the gas service divisions. This is the only Canadian company to figure in the awards in the contest which embraces the entire continent.

Winning electrical car card advertised the new Ruskin power plant of the B. C. Power Corporation and the car card selected in the gas division advertised smooth top gas ranges.

Public Utility Earnings

Southern Canada Power

June—	1931	1930	Increase
	$	$	$
Gross earn.	188,207	179,020	9,187
Oper. exp.	73,500	71,932	1,568
Net earn.	114,707	107,088	7,619
9 Months—			
Gross earn.	1,775,287	1,696,994	78,293
Oper. exp.	684,732	626,242	58,490
Net earn.	1,090,555	1,070,752	19,803

SEEK TO RELEASE MONTREAL POWER FROM INCOME TAX

Labor Clubs to Make Representations to Government

From Our Own Correspondent

MONTREAL.—Organized labor clubs of Montreal, through the medium of Hon. Alfred Duranleau, Minister of Marine, will make representations to the governmnet to exempt Montreal Light, Heat and Power Cons. from payment of corporation income tax. In 1930 it amounted to $748,363. Officials of the company have repeatedly asserted that any reduction or release obtained from this tax would be directly passed on to Montreal consumers through reduced rates.

Recent budget provisions have increased the corporation income tax from 8 to 10 per cent and make it retroactive on 1930 income. On this basis the tax due from Montreal Power in 1930 would be increased to approximately $935,454.

This sum, it has been estimated, if applied to the present maximum rate of 3 cents a kw.h. for electricity would effect a reduction of 2.58 cents. If applied to gas, the present maximum rate of $1.05 a thousand cubic feet would be reduced to 89 cents for a similar amount.

The basis of the claim lies in the fact that Montreal Power pays a heavy corporation income tax, while publicly-owned utility companies in other provinces are free.

NATIONAL L. & P. WOULD ACQUIRE BRANDON PLANT

Manitoba Government Considers Offer of $1,398,000

National Light & Power Co. has offered to buy the electric light and power and gas system of Brandon, Man., at a price reported at $1,398,000 from the Manitoba Government and reports indicate that the offer is receiving serious consideration.

Terms of the proposed sale would include an agreement on the part of the company to purchase electrical energy from the province over a 30-year period. Other terms are understood to be of a nature that the Government believes should prove decidedly acceptable to the city of Brandon.

If an agreement is reached between the Government and the private company for the sale, it is understood that the Government will call a special session of the legislature to ratify the transaction. It is understood that a substantial portion of the profit on the deal would be turned over to the city. The ratepayers of Brandon would also have to approve of the deal.

The Brandon utilities were taken over by the province as at January 1, 1931, and became part of the provincial hydro-electric system. The purchase price is reported at $1,200,000 and was arrived at after a board of arbitration had set a price of $1,398,000 on the property. The utilities were formerly owned by Canada Gas & Electric Corp.

Purchase of the Brandon utilities will be the second acquisition of National Light & Power Co. which was organized in 1930 to purchase the electric light and power plant owned by the City of Moose Jaw, Sask. The company is a subsidiary of Iowa Southern Utilities Co. but there is a Canadian investment interest in the 6 per cent first mortgage bonds outstanding to the amount of $2,000,000. The first annual report of the company has not as yet been issued but preliminary figures would indicate that the first year of operation in Moose Jaw has been satisfactory, in view of business conditions and that the bond interest had been earned 2.11 times after depreciation.

Increase Size of Board Of Mexico Tramways Co.

Dollar volume of business, in Mexican currency, has been well maintained by Mexico Tramways Co. during the first five months of 1931, according to Miller Lash, K.C., chairman of the board, speaking at the annual meeting held on July 9. During the same period, however, business conditions and the foreign exchange situation has become somewhat less favorable.

The board of directors of Mexico Tramways Co. was re-elected the previous appointment of W. D. Dawes being confirmed. The board of Mexican Light & Power Co. was also re-elected with the addition of J. A. Ready, Toronto, who fills the place left vacant upon the resignation of G. T. Clarkson during the past year. At a special meeting of Mexico Tramways Co., held after the general meeting, provision was made for increasing the directorate by two but no election was held to fill the new positions.

Northwestern Power Brings in Second Unit

From Our Own Correspondent

MONTREAL.—Northwestern Power Co.'s hydro-electric plant at Seven Sisters Falls on the Winnipeg River was officially opened on July 15. The first unit of 18,750 horsepower was brought into operation early in July and a similar unit has now been placed in production.

A third unit will be ready in September, making a total capacity of 56,250 horsepower installed while this figure can be raised to 112,500 horsepower by raising the dam. The power house is built to accommodate six units with an ultimate capacity of 225,000 horsepower.

Power is sold to the parent company, Winnipeg Electric Co. for distribution in and around Winnipeg. Production from Seven Sisters will be particularly welcome this winter since the sub-normal flow on the Winnipeg River indicates a likelihood of a power shortage.

Canadian National Gross Down 19% in First Half

From Our Own Correspondent

MONTREAL.—Gross earnings of Canadian National Railways for the period ended June 30, 1931, were $4,919,050 as compared with $5,969,864 for the same period, a decrease of $1,050,814.

Gross earnings for the six month period ended June 30 were $88,275,626 as compared with $109,911,091 a decrease of $21,635,465 or 19.7 per cent. Operating costs have not yet been released.

S. CANADA POWER NOTES PROGRESS IN AREA SERVED

Industrial Activity Continues at Satisfactory Level

From Our Own Correspondent

MONTREAL.—Business of Southern Canada Power Co. continues to increase this year and the management states that industrial activities are progressing satisfactorily in the territories served. For the nine months ended June 30, net earnings of the company showed a gain of $19,803 at $1,090,555.

New construction being undertaken in the Eastern Townships is indicative of the industrial activity in that section. In St. Hyacinthe, the Hump Hair Pin Co., with headquarters in Chicago, is erecting a new plant, while the A. J. Donahue Corp., manufacturers of elastic web merchandise, is adding to its factory equipment.

Increase Plant Space

The Esmond mill at Granby, manufacturers of blankets and other materials, has increased its manufacturing space with a view to greater trade expansion. At Farnham, the Barry and Staines linoleum factory has been completed. This is a substantial plant and is equipped with motors of over 2,500 horsepower. It is expected that within the next six weeks they will be in operation.

Electrical merchandise sold through the 24 stores of Southern Canada Power Co. has been satisfactory and showed an increase in the quarter ended May 31 over the previous three months. It is stated that the sales plan adopted has shown good results while every opportunity is being taken to develop further distribution.

Extend Company System

Considerable activity has attended construction work on the company's system. Capacity of the transmission line from South Stukely to West Shefford is progressing, while the line capacity in the village of Melbourne and the town of Richmond is being increased to take care of additional load.

A new transmission line has been constructed from St. Pie to Abbotsford, improving facilities for service and reaching additional customers. An extension has also been built from Abbotsford along the highway toward Granby. During the past season, capacity of the distribution system in Knowlton has been increased.

QUEBEC POWER ADOPT SCHEDULE LOWER CHARGES

New Rates for Quebec City in Force in July 15

From Our Own Correspondent

MONTREAL. — Quebec Power Co. put its new rate schedule into effect on July 15. This follows an earlier declaration of reduced rates, irrespective of whether any agreement is reached with the civic authorities in connection with extending the contract for lighting the streets of Quebec.

For some time past a controversy has been going on between the city and the company over the matter of lighting charges. Last year the council appointed a committee to look into the matter of rates. The report of this body was unfavorable to the company, it being claimed that the rates were out of line with those charged in other cities.

Make Several Cuts

Over the last five years rates have been reduced on three occasions; the present one being the fourth. Though no details are available in respect to the current reduction, it probably follows closely along the lines of the schedule submitted to the civic officials in April.

This tariff provided a gross monthly service charge for domestic lighting totalling 33 cents. For the first 60 kw.h. consumed, a charge of 3 1/3 cents a kw.h. would be paid; next 400 kw.h., 2¼ cents, and for the balance of consumption 1½ cents per kw.h. Prompt payments of accounts brought a reduction of 10 per cent in these rates. The minimum monthly charge would be 70 cents.

LIST BELL TELEPHONE STOCK

MONTREAL—The Montreal Stock Exchange, on official notice of issuance, will list an additional 10,000 shares of capital stock of Bell Telephone Co. of Canada, making a total of 780,000 shares of an authorized issue of 1,500,000 shares.

Edmonton—
Alberta's Capital City

Edmonton is one of the most important cities in Western Canada, being the capital of the Province of Alberta, and the distributing centre for a substantial portion of the Province.

Situated at the gateway to the vast and wealthy Peace River district, the population of Edmonton has increased from 65,163 to 77,557 in the last five years.

More than 30% of the City's total debt has been issued for public utilities, which provided a net revenue in 1930 of more than $500,000 after all charges.

During each of the last five years the City has had a surplus of revenue over expenditure, while its sinking fund equals 34% of the total debt.

Investors may obtain City of Edmonton 4½% Bonds, due May 1st, 1951, in $1,000 and $500 denominations with principal and half-yearly interest payable in the principal Canadian cities and New York.

Price: 93.72 and interest, yielding 5%.
(Plus Transfer Tax)

Wood, Gundy & Company Limited
Toronto Montreal Winnipeg
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Industrial Engineering & Research
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For Industrial and Financial Purposes
Management Methods—Economic Studies
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A NATIONAL SERVICE OF A CANADIAN COMPANY

A Stimulant To Business

We have experienced a business depression. To many it appears that relief must come—like manna from Heaven—from outside ourselves.

Others appreciate that general business will improve as fast as application of individual initiative will compel it.

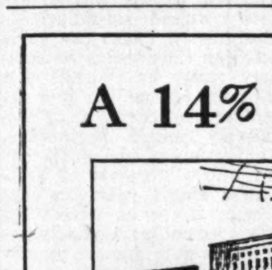
This Company is now enjoying the largest business in its history. There are two reasons: A large and ever-increasing public knows that instalment banking brings within its reach labor-saving commodities which it would otherwise be denied.

Industrialists and merchandisers realize that instalment selling—properly applied—produces increased sales—increased employment of labor—increased dividends.

In short it is a stimulant to business.

INDUSTRIAL ACCEPTANCE CORPORATION LIMITED
Offices In
Halifax, St. John, Quebec, Montreal, Ottawa, Toronto, Hamilton, Windsor, Winnipeg, Regina, Calgary, Edmonton, Vancouver

A 14% Increase in Power Output



FOR the first five months of this year, power output on Canada Northern Power Corporation's system increased 14% over the corresponding period of last year.

The output during May last of 34,957,590 k.w.h. constituted a record.

Canada's principal gold mines, located in the territory served by the Company, are engaged on extension programs which must increase demands for power in this area.

We recommend, for conservative investment
CANADA NORTHERN POWER CORPORATION LIMITED
5% Sinking Fund Gold Bonds, due 1953
PRICE: 93 and accrued interest to yield 5.55%
(Plus transfer tax)

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News of Investment Markets

NORGE BUSINESS PUT UNDER WAY IN FEW MONTHS

New Plant is Opened; Dealer Organization Covers Canada

STATE FUTURE GOOD

Sales of Consolidated Industries Ltd., Subsidiary Exceed Expectations

Establishment of a new Canadian company, operating in a highly competitive field, on a profit-making basis in the first year of operation is the goal set by executives of Norge Corp. of Canada, wholly-owned subsidiary of Consolidated Industries Ltd. Results for the first few months of operation are regarded as highly satisfactory and very definite progress has been made. Within a period of four months the company has been placed upon an efficient operating basis with every department well organized and staffed. A plant has been equipped and placed in operation that is stated to be the largest plant in the British Empire manufacturing electric refrigerators exclusively. An extensive dealer organization has been established extending from coast to coast and sales have been satisfactory.

Consolidated Industries Ltd. is committed to a policy of extending its line of products. Following success in the manufacture and merchandising of De Forest Crosley radios, Canadian rights to the manufacture of Hammond electric clocks were secured late in 1930 and on January 29, 1931, Norge Corp. of Canada was formed to manufacture and distribute the Norge line of refrigerators in Canada. There followed the building up of an entirely separate organization to handle the Norge business. It is understood that Norge Corp. will also handle any additional lines that will be taken on by the parent company. Announcement may be forthcoming shortly regarding an electric household appliance that will be made.

Sales Are Good

Norge executives are highly optimistic as to the future of the company but due to the short time that the company has been operating definite figures are not available. Sales increases from month to month are stated to be well in advance of the volume expected. Sales amounted to 3,000 units in a period of three weeks in the latter part of March and early April and each month since has shown an increase in both sales and commitments. Sales in April and May were well over the volume called for in the company's budget and June sales showed an increase of over 16 per cent on May volume. It is understood that the company has shown a profit on operations in each month. While the big shipping months are chiefly from April to August it is stated that the trend in the United States, also noticeable in Canada, is for an increase in duration of the season and it is believed that, as the public becomes better informed as to the merits of electric refrigeration the demand will become less seasonal.

Have Many Dealers

Probably the greatest advance to be made by the company in its first few months operation is in the merchandising of the products. Active work in building up a dealer organization started in the latter part of March, 1931, and at the present time there are well over 900 dealers handling Norge refrigerators across Canada. This number will be further increased to about 1,500 by the end of the current fiscal year. This dealer organization gives a distribution from coast to coast. In Quebec city and district and in the western provinces distributors have been appointed but in Ontario, most of Quebec and in the Maritimes the company deals direct with dealers through branches established in Toronto, Montreal and the Maritimes.

A contract department has been established to handle large orders from apartment houses and builders. This department is operating direct in Toronto and district at the present time and is co-operating with dealers throughout the country. Eventually operations will be extended.

Will Expand Plant

Early in June, 1931, Norge Corp. of Canada occupied a new and modern plant in Toronto with 35,000 sq. ft. of floor area and a railway siding. The plant has a present capacity of some 50 units a day but sales are stated to be well in excess of production and a capacity of 200 units daily will be reached within the next two months. The plant is chiefly given over to assembly and testing operations at the present time although 85 per cent of the materials used, on a basis of cost, are manufactured in Canada. Within a very short time it is stated that the product will be 100 per cent manufactured in Canada. There are 100 employees at the new plant at the present time and this number will be increased to 200 within the next eight months. Seven models of cabinets constitute the Norge line including various types suitable for domestic use and a water cooler type for office use. With several distinctive features, a high standard of manufacture, a three year guarantee, a reasonable price and an installment purchase plan available if desired, the company is expected to show good results in the Canadian field in which less than 5 per cent of wired homes have electric refrigeration installed. At the present time there are some 1,500,000 wired homes in Canada and the number is increasing annually.

One of the most important tasks confronting the company in its first year is the establishing of the name of its product. While a certain degree of prestige is conferred on the product due to the sponsorship of the parent company and impetus is added by the large dealer organization which includes many dealers who have previously handled De Forest Crosley radios, the company is also advertising in the daily newspapers and by radio broadcast. Substantial expenditures will be made during the current year for advertising, sales promotion and broadcasting and the results of this programme are expected to become apparent not only during the present year but in 1932 sales as well.

Canada Dry Profit Larger $1.30 a Share

Canada Dry Ginger Ale Inc. earned $1.30 per share in the quarter ended June 30 after absorbing over $500,000 of costs that will not be chargeable to future sales. Earnings for the nine months ended June 30 are $2.62 per share or 38 cents under the dividend requirement for the full year, which ends September 30. The last quarter, comprising the months of July, August and September is always the best from the standpoint of earnings and provide some 30 per cent of the company's profits.

Reduction of 20 per cent in the price of its pale dry ginger ale and the introduction of a large bottle resulted in a record business which in a period of six weeks amounted to approximately half of the entire sale for 1929. Abnormal non-recurring expenses were incurred by these changes in the last quarter, due to re-imbursing dealers for their inventory loss and in extra labor expenses. These expenses have all been absorbed so that sale in subsequent quarters, of even a lesser volume of goods, will show a substantially larger profit.

Cash Position Up

Cash position of the company continues to improve and current assets amount to $5,827,078, as against current liabilities of $1,019,420, a ratio of 5.7 to 1. In the previous quarter the ratio was 5.52 to 1 and in the same quarter of the previous year was 4.7 to 1.

The earnings per share in each quarter of the current year, compared with earnings in the corresponding quarter of the previous year, are as follows:

Quarter ended	Year ended Sept. 30 1931	Sept. 30 1930
Dec. 31	$0.40	$1.47
March 31	0.91	0.88
June 30	1.30	2.29
Total for 9 months	$2.62	$4.64

PORT HOPE EARNS $2.12 IN 11 MONTHS

Company Now Controlled by Crane, Ltd., Shows Reduction in Profits

While most of the common shares of Port Hope Manufacturing Company, manufacturers of porcelain and other sanitary products, are now owned by Crane, Limited, of Montreal, and investment interest in company is reduced to the minimum, the usual balance sheet and earnings figures have been issued by the company. Fiscal year, which formerly ended on January 31, has been made to end at December 31. For the eleven months to December 31 last net profits after depreciation amounted to $80,906 as compared with $176,375 for the full year ended January 31, 1930. As the dividend rate was reduced from 62½ cents a share to 50 cents a share quarterly during the year a smaller sum was paid to shareholders. Earnings for eleven months were $2.12 a share as against $4.62 in the previous year. A slightly larger surplus was carried forward as these comparative figures show:

INCOME AND SURPLUS ACCOUNT

	11 mos. end. Dec. 31 1930 $	Year end. Jan. 31 1930 $	Jan. 31 1929 $
Net earn. from oper.	......	......	228,745
Interest on invest., etc.	......	......	74,533
Net earn.	181,188	277,024	303,278
Less: Res. for income tax	7,308	9,856	14,914
Res. for depr.	92,974	90,793	80,715
Net profits	80,906	176,375	207,649
Less appropriations:			
Pref. divds.	27	112	6,118
Com. divds.	80,587	128,538	73,183
Surp. for yr.	292	47,725	128,348
Add: Prev. surp.	342,635	294,910	166,562
Bal. car. for.	342,927	342,635	294,910
Earned per Share:			
Common	$2.12	$4.62	$5.30

Working capital shows a decline but a new item of advances to associate company appears which has not been included by the company in current assets. Company investments show a decline and are taken into balance sheet at about $50,000 over market value. Working capital comparison follows, the investments and the present value of cash surrender value of life insurance policies, which are included by the company in current assets, being eliminated in the comparison:

WORKING CAPITAL

	1930 $ Dec. 31	1930 $ Jan. 31	1929 $ Jan. 31
Curr. assets*	283,631	512,865	443,937
Curr. liabs.	36,839	48,777	78,966
Work. capital	246,792	464,088	364,971
Ratio	7.69—1	10.51—1	5.62—1

* Not including investments and cash surrender value of life insurance policies.

Honey Dew Business Shows Some Decline

Sales of Honey Dew, Ltd., for the first five months of the current year are somewhat below the figure for the same period 1930, according to a letter recently sent to shareholders of the company. The decline is attributed largely to the detrimental effect of the cold, rainy week ends during May and quiet evening trade. The letter continues:

"In spite of handicaps we show a profit position for the five months' period within some $10,000 of last year, and actual operating profit, ignoring call loan interest and such things, within $4,000 of last year."

Company showed an operating profit for the year ended December 31 last of $236,981, to which was added $11,913, interest earned. From the resultant net earnings, $248,894, $76,517 was deducted for depreciation, and $13,700 for income tax reserve, leaving net profits of $158,677 available for preferred dividend, equal to $10.58 per share.

STANFORD'S LTD. FIGHTS FOR TIME TO RAISE FUNDS

Lower Dollar Volume of Sales Hampers Progress

MONTREAL.—Liquidation proceedings which are threatening Stanford's Ltd., operating a chain of 10 meat markets in Montreal, have been staved off for the time being. The management states that given time it can meet its obligations.

Efforts are being made to dispose of assets which are claimed to have a value of $235,000 against which there is a debt of $100,000. At the end of June the company's cash, receivables and inventory approximately equalled its current liabilities of $70,000. It is pointed out that there are assets of $170,000 against liabilities of but $70,000 but time is required to convert the frozen assets into cash.

Signed Management Contract

Stanford's Ltd. got into difficulties in 1930. Arrangements were concluded in August, 1930, whereby a management contract was signed with William B. Nichols & Co., a New York company specializing in management of chain stores.

Since that time, the management states in a recent announcement, the volume of sales has been increased, but due to the decline in commodity prices dollar volume of business has dropped off. Though expenses have been cut to a low point it has been impossible to build up working capital due to this decline in dollar sales.

Dull Months Ahead

With the two dull summer months ahead, the letter goes on to say, further substantial reductions in expenses are being made, and by September or October, or as soon as the assets can be sold, the company should be prepared to go ahead under the improved conditions then to be hoped for.

That the outlook is not altogether reassuring is seen in the letter which continues in part:

"Under the circumstances we have been considering what course will best serve the interests of all the creditors and stockholders. The management gives you its full assurance that it will exert its utmost efforts to conserve the assets and to devise a way by which the business can be continued as a going concern since it will be agreed by all that only in that way can the most be realized for the creditors and stockholders.

"As a going business a customer is retained as are the benefits of wages and other expenditures to the community."

Earnings Down Last Year

The last financial statement issued by Stanford's Ltd. covered the fiscal year ended August 30, 1930. After payments of dividends, operations resulted in a loss of $134,851. Further write-offs were made by the new management covering depreciation and sinking fund for the two previous years, resulting in a total deficit of $200,780.

These write-offs were part of the plans of the new management. New policies of accounting were introduced and more up-to-date methods of merchandising were brought into effect with a view to strengthening the company's position.

Dividends Were Deferred

Stanford's was formed in 1927, with a capitalization of $500,000, 7 per cent, first preferred; $200,000 7 per cent second preferred and 20,000 shares of no par common stock.

Dividends on both classes of preferred stock were maintained until August, 1930, when they were discontinued. An initial dividend of 25 cents a share was paid on the common in December, 1927, and was maintained on a quarterly basis until March, 1929.

TORONTO ELEVATORS EARNINGS INCREASE

Preferred Dividend Earned Twice in First Nine Months

Operations of Toronto Elevators Ltd. in the nine months ended June 30, 1931, are understood to have shown substantial improvement over the corresponding period of 1930 and are regarded by the management as satisfactory. G. C. Leith, managing director of the company, states that earnings, after all charges including adequate depreciation, were twice accrued preferred dividends for the period. During the year the company's elevators have been well filled and a good volume of grain has been handled.

Financial position as at June 30. 1931, is stated to show an improvement over that at the close of the last fiscal year when ratio of current assets to current liabilities was 1.43 to 1. Net current assets are higher and bank loans and amounts owing on grain purchases were substantially reduced, mainly as a result of reduction of inventories, accounts and bills receivable and receivables on cash grain for future delivery.

While no definite figures are available and officials of the company will not commit themselves to any prediction regarding business in the final quarter feeling is more optimistic than otherwise. If business continues at the same rate in the last quarter of the fiscal year, which ends September 30, as in the previous nine months, earnings on the 7 per cent preferred stock will be somewhat in excess of $14 per share as compared with $10.24 per share in the previous year. There are 15,000 shares of $100 par value preferred stock outstanding in which there is a public interest. There are also 25,000 shares of no par value common stock largely held privately. The preferred stock is convertible into common at any time on the basis of three for one.

Bond Tenders

August 25. Municipality of Pointe Claire and Beaconsfield. $30,000, 5 per cent, 25-year, serial debentures. J. J. Hunter, sec.-treas.

July 27. Municipality of Notre Dame de la Dorée. $6,000, 5½ per cent, 10, 15 or 30-year debentures. L. Tremblay, sec.-treas.

July 24. Town of East Angus, Que. $105,000, 5 per cent bonds.

Bullion .. 68,,346 98.027 119,408

7 o'clock p.m., July 27, Port Colborne—$43,024, 5 per cent 10-year pavement bonds; $113,612, 5 per cent 15-year pavement bonds; $3,325 5 per cent 10-year lighting bonds. H. F. Johnston, clerk and treas.

1 o'clock p.m., July 25, County of Lennox and Addington—$44,500 and $15,000, 5 per cent 10-year serial road construction bonds, dated July 1, 1931. W. S. Wilson, county clerk, Napanee, Ont. (See announcement on page 10).

6 o'clock, August 25, Municipality of Pointe Claire and Beaconsfield, Quebec—$30,000, 5 per cent 25-year serial debentures, payable at Bank of Montreal, St. Peter and St. James Sts., Montreal. J. J. Hunter, sec.-treas.

10 o'clock a.m., July 27, Municipality of Notre Dame de la Doree, Quebec—$6,000, 5½ per cent, 10, 15 or 30-year waterworks debentures, dated June 1, 1931, payable at Bk. Can. Nationale, St. Felicien, Que., or Montreal. L. Tremblay, sec.-treas.

July 24, Town of East Angus, Que.—$105,000, 5 per cent bonds.

Authorizations granted by the Board of Utility Commissioners of Alberta.

School Districts: Larkin, No. 4532, $1,500; Franchere, No. 4480, $1,700; Edmonton, No. 7, $30,000.

Bond Sales

ALMONTE, ONT.

Gairdner & Co. has been awarded $86,580 5 per cent 20 and 30 installment debentures of the town of Almonte, Ont. at 103.097; cost basis 4.70 per cent. Bids are reported as follows:

1	Gairdner & Co.	103.097
2	Dominion Securities Corp.	102.327
3	J. L. Goad & Co.	102.188
4	Milner, Ross & Co.	101.62
5	J. L. Graham & Co.	101.562
6	Bell, Gouinlock & Co.	101.51
7	C. H. Burgess & Co.	101.24
8	Dyment, Anderson & Co.	100.805
9	McLeod, Young, Weir & Co.	100.79
10	Griffis, Fairclough & Norsworthy	100.78
11	Wood, Gundy & Co.	100.40

PARISH OF NOTRE DAME, QUE.

Drury & Co. has been awarded $430,000 4½ per cent 30-year serial debentures of the Parish of Notre Dame, Montreal, at 99.38, cost basis 4.55 per cent. Bids were as follows:

1	Drury & Co.	99.38
2	Hanson Bros., Hodgson & Co.	97.52
3	Geoffrion & Co., Banque Provinciale du Canada, Credit Anglo-Francais, E. Savard Limited	97.28
4	L. G. Beaubien & Co., Banque Canadienne Nationale, Gairdner & Co.	95.76
5	Nesbitt, Thomson & Co., Wood, Gundy & Co.	95.438
6	Dominion Securities Corp.	95.19
7	Mead & Co., Hannaford, Birks & Co.	93.63

TOWNSHIP OF MARKHAM, ONT.

C. H. Burgess & Co. has been awarded $12,012 5 per cent 15-installment debentures of the township of Markham, Ont. at 101.35; cost basis 4.80 per cent. Bids were as follows:

1	C. H. Burgess & Co.	101.35
2	Dyment Anderson & Co.	101.312
3	Milner, Ross & Co.	101.26
4	A. E. Ames & Co.	100.65
5	Dominion Securities Corp.	100.397

MONCTON HOSPITAL, GUARANTEED BY THE CITY OF MONCTON

Gairdner & Co. and the Royal Bank have been awarded $40,000 5 per cent debentures of Moncton Hospital, guaranteed by the city of Moncton, N.B., and due July 2, 1951, at 103.27; cost basis 4.75 per cent. Bids are reported as follows:

1	Gairdner & Co., Royal Bank	103.27
2	T. M. Bell & Co.	103.19
3	Eastern Securities Co.	103.00
4	J. M. Robinson & Sons	102.19
5	Dominion Securities Corp.	101.58

COUNTY OF GREY, ONT.

J. L. Goad & Co. has been awarded $150,000 4½% debentures of the County of Grey, Ont., due August 1, 1951, at 99.607; cost basis 4.53%. Bids were as follows:

1.	J. L. Goad & Co.	99.607
2.	Stewart, Scully & Co.	99.178
3.	Harris, McKeen & Co.	99.02
4.	Wood, Gundy & Co.	98.887
5.	Dyment, Anderson & Co.	98.771
6.	A. E. Ames & Co.	98.75
7.	Gairdner & Co.	98.623
8.	C. H. Burgess & Co.	98.587

Bond Redemptions

	Rate	Due	Redeem.	Price
Bond Issues—				
B.C. Telephone	4½%	1962	†Nov. 1	105
Cascade Water Power	4½%	1940	†May 1/32	100
West Kootenay Pr.	6%	1940	Sept. 1	110
St. Lawrence Pwr.	*6%	1935	Aug. 1	105
Steel Co. of Canada	6%	1940	Aug. 1	‡
Foreign Issues—				
Kingd. of Denmark	*5%	1955	Aug. 1	100
Kingd. of Norway	*5%	1967	Dec. 1	100
Kingd. of Norway	*6%	1944	Aug. 1	100
Greek Govt.	*6%	1968	Aug. 1	100

*Called in part.
†Or before.
‡Tenders asked by trustee.

Dominion-Scottish Meet is Routine in Character

The second annual meeting of Dominion-Scottish Investments Ltd., held on July 14 was quite routine and C. S. MacDonald and A. E. Holt were re-elected to the board after retiring in accordance with the by-laws of the company. Directors and the management of the trust are accepting a reduction of some $4,500 in remuneration and if conditions do not improve they are willing to take further cuts, according to C. S. MacDonald, chairman of the trust.

It was pointed out that at the end of the fiscal year, on May 31, when securities held were valued for the balance sheet, prices were at their lowest levels. This accounted for the marked depreciation shown in the annual statement amounting to $2,187,119 on investments of $4,459,134, taken at cost.

TRADE FAILURES LIGHTER IN 1931

Improved Situation in East, Gives Total Better Tinge; West Worse

Total commercial failures for the first five months of the present year in comparison with 1930 showed a decline in numbers of 8.12 per cent to 1,618, and the total of defaulted liabilities was 25 per cent less at $17,996,421. The 1931 figures are an improvement also on those for 1929.

This result is contributed to largely by much improved returns from Quebec, failures being reduced from 451 in 1930 to 324. Ontario reported 12 less at 337, while Nova Scotia suffered only half the number for the same period last year at 16. Saskatchewan, Manitoba, British Columbia and New Brunswick all reported failures in heavier numbers.

Analyzed by classes, construction, transportation and other public utilities, and service were the only branches of business that did not show improvement. Under finance the number of failures was 3 compared with 14 to May 31, 1930.

Parish of Notre Dame Bonds Sold at Premium

From Our Own Correspondent

MONTREAL.—An offering of $430,000, 4½ per cent bonds of Fabrique of the Parish of Notre Dame, Montreal, is being offered by Drury and Co. Bonds maturing from 1932 to 1941, and 1942 to 1955 are offered at 100.65 to 100.98 and the balance, maturing 1956-61 are offered at 100.75 to yield 4.45 per cent.

Founded in 1642, the Parish of Notre Dame is one of the oldest on the continent and is located in the centre of Montreal. Capital and interest on the loan is guaranteed by a special assessment on the immovable properties of the Roman Catholic freeholders of the parish. Municipal valuation of the properties is approximately $30,000,000.

The purpose of the new issue is to defray the cost of renovation work on both the exterior and interior of the church.

Minnesota & Ontario Paper Defaults on Series C Bonds

Payment of interest on the series B, 6 per cent first mortgage bonds of Minnesota & Ontario Paper Co., which was not paid on the due date, April 1, 1931, went into default on July 1. This action by the company was not unexpected since the company is in receivership and interest has been defaulted on other obligations.

The series B bonds are outstanding to the extent of $4,000,000 and are largely held in the United States although there is a considerable interest in other senior obligations of the company held by Canadian investors. Interest has been passed also on the series A and series C bonds of the company. No recent statement has been given as to the current position of the company but a report is expected shortly.

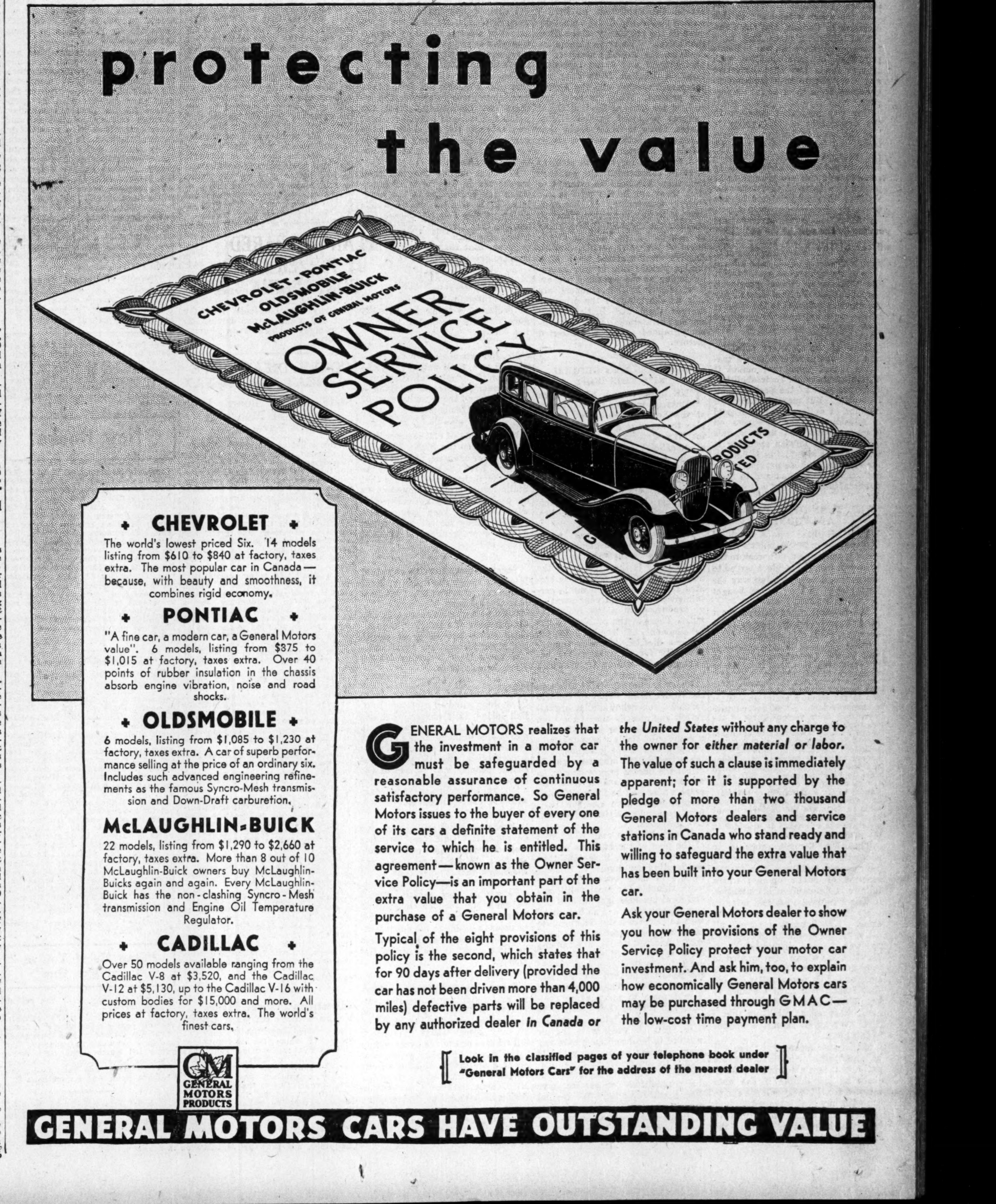
THE NATIONAL CITY COMPANY LIMITED CANADA

We believe that a discussion of bond market conditions as related to the course of general business over a long period of years will be of particular interest to investors at the present time. We have prepared an article on this subject, copies of which will be mailed upon request.

The National City Company
Limited
Head Office — 360 St. James Street — Montreal
320 Bay Street TORONTO
85 Sparks Street OTTAWA
65 St. Anne Street QUEBEC
566

Final Figures on Silver

Statistics on Canadian silver production, finally revised, as reported by the Dominion Bureau of Statistics at Ottawa, show a production of 26,443,823 fine ounces in 1930, which, valued at the average price for the year of 38.154 cents per fine ounce, was worth $10,089,376.



CHEVROLET
The world's lowest priced Six. 14 models listing from $610 to $840 at factory, taxes extra. The most popular car in Canada—because, with beauty and smoothness, it combines rigid economy.

PONTIAC
"A fine car, a modern car, a General Motors value". 6 models, listing from $375 to $1,015 at factory, taxes extra. Over 40 points of rubber insulation in the chassis absorb engine vibration, noise and road shocks.

OLDSMOBILE
6 models, listing from $1,085 to $1,230 at factory, taxes extra. A car of superb performance selling at the price of an ordinary six. Includes such advanced engineering refinements as the famous Syncro-Mesh transmission and Down-Draft carburetion.

McLAUGHLIN-BUICK
22 models, listing from $1,290 to $2,660 at factory, taxes extra. More than 8 out of 10 McLaughlin-Buick owners buy McLaughlin-Buicks again and again. Every McLaughlin-Buick has the non-clashing Syncro-Mesh transmission and Engine Oil Temperature Regulator.

CADILLAC
Over 50 models available ranging from the Cadillac V-8 at $3,520, and the Cadillac V-12 at $5,130, up to the Cadillac V-16 with custom bodies for $15,000 and more. All prices at factory, taxes extra. The world's finest cars.

GENERAL MOTORS realizes that the investment in a motor car must be safeguarded by a reasonable assurance of continuous satisfactory performance. So General Motors issues to the buyer of every one of its cars a definite statement of the service to which he is entitled. This agreement—known as the Owner Service Policy—is an important part of the extra value that you obtain in the purchase of a General Motors car.

Typical of the eight provisions of this policy is the second, which states that for 90 days after delivery (provided the car has not been driven more than 4,000 miles) defective parts will be replaced by any authorized dealer *in Canada or the United States* without any charge to the owner for *either material or labor*. The value of such a clause is immediately apparent; for it is supported by the pledge of more than two thousand General Motors dealers and service stations in Canada who stand ready and willing to safeguard the extra value that has been built into your General Motors car.

Ask your General Motors dealer to show you how the provisions of the Owner Service Policy protect your motor car investment. And ask him, too, to explain how economically General Motors cars may be purchased through GMAC—the low-cost time payment plan.

GM GENERAL MOTORS PRODUCTS

Look in the classified pages of your telephone book under "General Motors Cars" for the address of the nearest dealer

GENERAL MOTORS CARS HAVE OUTSTANDING VALUE

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal	Date Sold	Sold To	Rate	Maturity	Amount	Price	Basis
Moncton Hospital	July 10	Gairdner & Co., and Royal Bank	5%	1951	$40,000	103.27	4.75%
Almonte	July 9	Gairdner & Co.	5%	20-ins.	36,580	103.097	4.70%
			5%	30-ins.	50,000		
Markham Twp.	July 9	C. H. Burgess & Co.	5%	15 ins.	12,012	101.35	4.80%
Notre Dame Parish, Montreal	July 10	Drury & Co.	4½%	30-yr. ser.	430,000	99.38	4.55%
Listowel, Ont.	July	Can. Bk. of Commerce	5%	15-ins.	25,000	101.58	....
County of Grey	July	J. L. Good & Co.	4½%	1951	150,000	99.607	4.53%
Summerside, P.E.I.	July 10	Bank of Nova Scotia	5%	1951	$28,500	102.70	4.788%

THE FINANCIAL POST

Member Audit Bureau of Circulations

President—JOHN BAYNE MACLEAN
Vice-President—HORACE T. HUNTER
Manager—GORDON RUTLEDGE
Editor—FLOYD S. CHALMERS

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TORONTO, JULY 18, 1931

PROVINCIAL BONUSES LEAD TO WASTE

IT IS again going to be necessary for the Dominion Government to make large appropriations for unemployment relief work during the coming winter. The money will be spent largely under the direction of other governmental agencies with final authority resting chiefly with the municipalities. As an emergency measure such a practice may be necessary but it is quite unsound for one government to appropriate money to be spent by another government. There has been too great a tendency in this direction in Canada, and the number of different plans that have been adopted since the war to bonus provinces or municipalities with federal funds has been excessive and there should be a tendency to get away from them as far as possible.

One weakness that develops in the application of this policy is that the bonuses, paid to the provinces, and in some cases through the provinces to the municipalities, are not equally distributed. In some cases funds are granted to be put up on a basis of, say, dollar for dollar with appropriations by the provinces themselves. Such a policy tends to create extravagant habits on the part of the provinces. Those provinces that prefer to pay their way and to avoid getting into debt may desire not to take advantage of the bonuses so granted. But the citizens of those provinces, through their Federal taxes, pay for services rendered to the citizens of the more extravagant provinces that pay less attention to their financial situation.

Some of the statutory subsidies now paid the provinces have a tradition behind them that makes it difficult to consider their abolition. They are part of the pact of Confederation. But many hundreds of millions of dollars have been paid in subsidies to the provinces on other accounts and it is in this direction that unwise spending is encouraged and injustice is done to the citizens of those provinces that are economically managed in their public affairs.

WHY TURN-OVER TAX WAS ABANDONED

WHILE there was a touch of pathos in Mr. Bennett's references in parliament last week to the turn-over tax, the incident served to disclose in a very striking way the part played in the present budget by business newspapers.

Mr. Bennett, when twitted about his failure to bring down a turnover tax, made this remark:

> 'What happened in this country is well known. Last spring as soon as it became apparent that it would be necessary to provide for additional taxation to balance the budget, there was carried on from one end of Canada to the other, a campaign against a turnover tax. I was flooded with memorials from various parts of the country, the origin of which I well knew. . . . It takes time to accustom people to a turn-over tax, and in my judgment therefore it followed that having regard to economic conditions and the very great difficulties which were to be experienced in this country in all forms of industry, it was unwise to try a new form of taxation, and very desirable as little as possible to dislocate the business of the country. . . . That is the reason hon. members are not asked to consider in this house a turn-over tax."

That Mr. Bennett proposed to adopt the turn-over tax, and would have done so had it not been for the reaction of public opinion which followed publication of his intention in The Financial Post and later in other newspapers, is now quite clear. Mr. Bennett removed all doubt on this point by saying that he was keenly disappointed. "I should like to have seen applied in Canada some new system of taxation, and it is not at all probable that I shall ever have a chance to try a new form of taxation, because it is not at all likely that I shall ever again submit a budget to this house."

Mr. Bennett means that there will be a new minister of finance before parliament assembles in 1932. Obviously he has doubts if the man selected for this post will see eye to eye with him in this regard.

There are a few corrections to be made, in point of time, in the Prime Minister's statement. It is true that the agitation against a turn-over tax reached its zenith in the spring of this year, but The Financial Post first pointed out the possibilities of a turn-over tax on November 27, 1930. At that time it was but a rumor. However, on December 4 last, The Financial Post definitely stated that Mr. Bennett was actively proceeding with such a measure, and that he planned to make it the outstanding feature of the 1931 budget. This was the beginning of the agitation against the tax, and by March 12 The Post was able to announce that Mr. Bennett had abandoned the turn-over tax and would retain the sales tax at four per cent.

The incident clearly reveals the value of publicity and public discussion. In legislation of a far-reaching character it is better to have public discussion before than after. If Mr. Bennett's idea of a turn-over tax is sound he will no doubt be able so to convince his new finance minister and the tax can be introduced, after further public education. But it would have been a mistake this year to inflict it upon an unprepared public. The publicity in The Financial Post, that started the discussion was as much a service to Mr. Bennett as to business.

MORE BRITISH FILMS

THE report on the alleged film combine in Canada disclosed an interesting commentary by the commissioner, Peter White, K.C., on the exhibition of British films in Canada. It was revealed that but seven per cent of the pictures shown in Canada last year were of British origin and the commissioner felt that if it were possible to engage in a real campaign with a view to extending the showing in Canada of British pictures, much could be done in that direction. This would result, the report states, in placing before the theatre public British manners, British English and British ideals.

A straw vote on such a proposal, if conducted amongst the more devout of the theatre-going public might possibly reveal a difference in opinion. Apart from the sentimental angle of the question, the ultimate success of any proposal to extend the exhibition of British motion pictures in Canada must depend on the popularity of the films themselves. With some notable exceptions, the average standard of photography and sound reproductions in English films does not compare favorably with the American product. While no brief can be held for some of the indifferent pictures produced in the United States, there is little doubt that taken as a whole, American studio efficiency is superior.

A fair trial for English pictures is to be commended; the evidence that there has been an attempt to shut them out in the past is not entirely convincing. If, however, there is to be a concerted effort to broaden the field of British films in Canada, let the films be distributed on their own merits. British English on the sound track of a motion picture film is only as enlightening as the recording process is efficient; British manners are only as charming as the producer decrees them and British ideals can best be assimilated from a well-photographed and well-directed picture.

BUSINESS MEN SHOULD RUN THIS BODY

THE business men of Northern Ontario, including the districts at the head of the Great Lakes, plan to organize a general council for New Ontario, to act as a sort of unofficial legislature for the north. A meeting will be held on August 24 and delegates representing municipal councils, boards of trade, chambers of commerce, fish and game clubs and other organizations will meet at Sault Ste. Marie to discuss the plan.

Northern Ontario has many problems, which an organization of this type can study to good advantage. There is the problem of the newsprint industry, which has created serious unemployment in certain cities, due to the concentration of production in a few individual mills. There is the problem of the development of iron ore in the Algoma district. There is the opportunity for advertising the advantages of Northern Ontario as a tourist playground.

Recently the boards of trade in the Grand River Valley of Ontario formed a somewhat similar organization and already they have been able to organize for joint effort in a number of fields where the individual action of the local boards of trade would have been too small to effect the needed improvements. In other parts of Canada, these examples may well be followed where certain areas have common business, economic, tourist and legislative problems.

If any criticism may be offered of the plan of the business men of Northern Ontario, it is that they are inviting the municipal councils to join in their work. It will be more valuable for local politicians and local business men alike if the new organization has no link at all with any elected body. The purpose of such an organization must be to study and to advise and among those whom it will advise will be not only the Dominion and Provincial governments but the local municipal councils. The business men should come to independent decisions and present their decisions to the proper legislative organizations. If their work is to become involved in local politics before any unanimity has been approached in regard to the problems under discussion, it will soon be found that the possibilities for service have been greatly limited. We do not suggest that the associated boards of trade will necessarily work at cross-purposes with their municipal councils; quite the opposite in fact. But the new council should be fully independent and continuing and should be in a position to advise without prejudice. This it cannot do if it must attempt to reconcile the opposing interests of various municipalities, differences that do not appear large to the broad-minded business man but that may seem insurmountable to the local politician interested in the votes that put him in office.

THESE INCOME LISTS SHOULD BE SECRET

IT HAS now come out that certain organizations are selling lists of individuals in Toronto whose incomes range between certain brackets. Obviously these lists have been prepared from the tax rolls of the city of Toronto, which are publicly displayed in the office of the city clerk of the city. It no doubt comes as a shock to many of the good citizens of Toronto to find that their income tax returns to the city's assessment department are to a large extent public property. Yet they have been public property for many years and those who can make use of such information have always had it available to them although they may not have been aware of that fact until now.

The greatest secrecy is observed in connection with income tax returns to all important central governments such as those of the United States, Great Britain and Canada. The same should be true of income tax returns made to city governments. There are many reasons why various individuals do not want their incomes known. One of the most important is that publication of salaries in connection with various corporations leads to jealousy, dissatisfaction and to an unfortunate type of bidding between different corporations for the services of individuals. Sir Henry Thornton recently refused, and very rightly, to reveal the salaries paid to any of his senior executives. If those senior executives were located in Toronto it would not be necessary for Parliament to ask for the lists of salaries as the approximate figures would be available in the public tax rolls of the city. Only approximate figures are available, because the net taxable income is shown and it is not divided between salary, bonuses, dividends, etc., and the exact extent of a man's statutory exemption also is not shown. This, however, can be easily calculated if a man's circumstances are known.

The various cities of Ontario that collect income tax should take immediate steps to remove the income tax assessments from the public tax roll and have them kept on a separate roll not shown to the general public. A man's income is his own business and it should not be openly shown.

For that matter the municipal income tax in Ontario is an imposition and a disgrace to the province. It is a most unfair duplication of the Federal income tax and one that does not properly fall within the purview of municipal taxation. But that is another and broader question.

EDITORIAL NOTES

And through the whole period of decline one thing has steadily gone up—the purchasing value of the dollars.

• • • •

Mr. Bennett owes it to the country and to himself not to delay the selection of his minister of finance. The prime minister is carrying a burden beyond the capacity even of a man of his facile mind.

• • •

New heights of efficiency will be reached under the Stalin Plan for Russia. For example, official letter readers have been appointed to read the thousands of letters that Stalin has received, commenting on his project. If they are politically-wise they will keep large waste baskets handy for the letters that do not express approval of what Stalin is doing.

• • •

Senator James Couzens says that Hoover's moratorium plan is dumb diplomacy. Couzens is a Canadian-born book-keeper who made $30,000,000 on a gamble something like the purchase of a ticket on the Calcutta sweep but his great wealth has given him neither sound opinions nor a large following for the views he expresses.

• • •

With bananas fifty cents a dozen in St. John's and 10 cents apiece at Bell Island, it is obvious that one of Newfoundland's problems is to obtain a continuous supply of fresh fruit at low cost. Making St. John's a port of call for Canada's West Indies steamer may be one of the prices Canada will have to pay for a renewal of its former trade treaty with the sister Dominion.

• • •

Agnes Macphail, M.P., urges the government to get busy printing more currency to cure our economic troubles. In the same speech she complains that 90 per cent of all circulation in Canada is borrowed. "We are so busy paying interest we can't buy food or clothes." If Miss Macphail finds our economic troubles to be due to too much credit how does she expect to cure them by more credit in the form of fiat money?

• • •

Canada paid $123,000,00 in interest and dividends to American investors in 1930. Here is a good chance for someone to make a warning speech about the vicious toll exacted of Canada by American capitalists and to write an editorial about American domination of our economic affairs. But for every dollar Canada paid to Americans in dividends, citizens of that country spent over $2 travelling in Canada. Tourist trade more than pays the interest on American investments in Canada.

POST-scripts

IT comes as a shock to us to find that all these years we have been very loose in our use of the word "optimism" and its allied words, "optimist" and "optimistic."

Properly an optimist is one who affirms the definite ascendency of good and the pessimist is one who affirms the ascendency of evil. A man with a certain philosophy of life may properly call himself an optimist. But it is wrong to use the word optimistic in the sense of hopeful or sanguine. That spirit that pervades shareholders' meetings when the president speaks glowingly of the company's future is a spirit of hope rather than of optimism; the chairman is, in other words, not optimistic but merely sanguine.

Optimism, then, is merely a popularized technicality, a word borrowed from philosophy and bandied about in business with little regard for its true meaning. At least, we gather as much from Fowler's "Modern English Usage," which is our right hand companion and which warns us also not to say "peregrinate" when we mean "travel" and not speak of a "person" as an "individual."

Sometimes, though, we wonder if even Mr. Fowler and the editors of the Oxford English Dictionary can circumscribe the boundaries of the English language, or prevent its expansion on useful, if illogical lines.

GOLF is at once a fickle mistress and a hard taskmaster. Most people lose their sense of proportion over golf. Last Saturday about 10,000 people followed various players around the Mississauga golf course, in Toronto, to watch the Canadian open play. It poured for several hours in the afternoon but the gallery did not perceptibly dwindle, although only a few came prepared with umbrellas or waterproofs. These people would not have stayed in the rain for football, baseball, tennis or cricket. But ruined clothes and soggy shoes and pulped hats meant nothing when Tommy Armour and Walter Hagen and Percy Allis and such golfers were there to watch.

We have discovered the secret of golf, the lure that holds its devotees year in and year out. It is not the zest of the game, nor the open air, nor the good companionship, nor the spirit of competition. It is simply the mysterious "will o' the wisp' nature of the game. No matter how poor a golfer may be he will always sink a forty-foot putt just when he has decided to quit the game for good and all and that forty-foot putt will bring him back again for more weeks or months of punishment. And just when he again decides that he is through, that golf holds nothing for him and he had better give up the game, he will make a 250-yard drive, or play a successful explosion shot out of the bunker and golf's grip on him is tightened once more.

The goddess of golf will encourage him, lie to him, push him on and on but never let him get beyond a certain point unless he is one in a million. When the goddess lets him down in that important Sunday morning game he blames his lack of practice. That is why the practice courses, where you buy a pail of balls for fifty cent and practise your driving, do their biggest business on Monday evening.

CO-OPS. DISAPPROVE WHEAT IMPORT TAX

State Import Board With Power of Monopoly is Favored

From a list of five possibilities for Government regulation of wheat and flour imports, the British Co-operative Union has declared itself in favor, conditionally, of the plan whereby a state import board would be established, according to the European correspondent of Northwestern Miller. The board would consist of representatives of the Government, the co-operative movement and grain and flour importers. It would possess the power of monopoly to be exercised under the general supervision of the state.

The committee recommended that no import duty be placed on wheat, since it would raise the price of bread for the whole community. For a country like England, which depends so heavily on export trade, the report says, such an addition to the cost of living must be added either to the final price of exports (through higher wages and materials) or be borne by the workers in the form of lower real wages.

The committee stated that owing to the abnormal conditions prevailing during the period of investigation, it was impossible to select an attitude toward state purchase in the absence of legislative proposals. Should legislation be offered, they can support it only if the following protective principles are embodied:

1.—That in the event of a state control over flour and wheat imports being established, it should be under the supervision of the Government, and responsible to Parliament through the president of the Board of Trade.

2.—That on the controlling authority, the state, the co-operative movement and the various other commercial interests concerned with the importation of wheat and flour should be represented.

3.—That the proposed wheat and flour commission should be given a monopoly of importation of wheat and flour.

4.—That any profits not required for the maintenance of efficient administration should be returned to the purchasers.

5.—That there should be no restriction of the freedom of the co-operative movement to function as one economic unit with freedom to develop and to maintain its relationship with co-operative organizations in other countries.

Investment House Issues Value Tables on New Bonds

A conveniently bound copy of tables of value for Dominion of Canada Conversion Loan bonds has been prepared by Wood, Gundy & Co. for the convenience of investors in readily calculating the yields of these bonds. Due to the inclusion of "adjustment coupons" the conversion bonds cannot be valued with the ordinary bond value table. The tables may be used in calculating the relative yields and prices of conversion loan bonds due in 1957, 1958 and 1959, and show prices based on yields from 3 to 5 per cent. Prices are shown to the first call date inclusive and exclusive of adjustment coupons, aggregate value of adjustment coupons, discounted at yield rate prices of bonds to maturity excluding adjustment coupons and including the coupons.

New Books

"Economic Handbook of U. S. S. R."

Economic Handbook of the Soviet Union is a compact, 150-page handbook of statistical and economic information on Russia, published by American-Russian Chamber of Commerce. It is an attempt to give in concise form some of the more important and significant data regarding the national economy of the country. Figures for the most part cover the period up to the close of the fiscal year, September 30, 1930. Statistics for the special quarter Oct.-Dec., 1930, when the fiscal year was changed to correspond to the calendar year, are not included.

Published by American-Russian Chamber of Commerce, New York. Price $1.

"Contributions to Economics"

University Press, Toronto, has just published volume III, of "Contributions to Canadian Economics" which completes a bibliography of Canadian economic literature for the decade 1920-1930. This is the last annual publication of its kind and henceforth a more elaborate bibliography in Canadian economics is promised which will necessitate a more frequent and regular publication. Consequently annual publication will cease with this issue and it is reported that the next volume is already well under way. At a latter date it is hoped to carry the bibliography back to 1914 but for the present, attention will be concentrated on current literature.

In addition to the bibliography which is 75 pages in length, the current volume contains a list of recent theses covering research into Canadian economic questions; an article by Professor C. A. Curtis of Queen's University on "Canadian Banks and War Finance," and a short study by Professor J. A. Maxwell on "Expenditures of Canadian Provincial Governments, 1916-1926."

Published by University of Toronto Press. Price $1.

"Stop Me If You've Heard This One"

It was the day after the census enumerator had been at the house that a Toronto mother took her eight year old boy on a shopping trip downtown. The mother ordered some goods and gave her name and address. The young lad watched the clerk write down the information and then said, with the air of one anticipating the next question, "And my mother's 31."

Motorist (motoring from England to Scotland)—Can you tell me if I am over the frontier yet?

Native—Give me a shilling first.

Motorist—That will do. I must be in Scotland.

Calendar Reform Plan Gets Airing in October

World Conference to Discuss Fate of Present Calendar Established in 46 B.C.—Many Nations Favor Change

That 1933 may go down in history as the year in which the calendar given to the world by Julius Caesar in 46 B.C. was thrown overboard, is the prospect held out in a bulletin recently issued by the International "Fixed Calendar" League, from London, England.

Whether definite action is in sight, as anticipated by the League, or not, 1931 will be marked by a gathering of delegates of all the governments of the world at Geneva, in October, for the purpose of determining whether an improved calendar should be universally established and when and how it should be made effective.

Defects of the present calendar are legion, according to a statement by the League. Fundamentally these are: (1) the lack of equality in the lengths of months; (2) the fact that months do not contain a whole number of weeks; (3) that the days of the week shift each year to different dates; and (4) that the dates for Easter, Whitsuntide and the other holidays are changed each year.

National Committees Formed

The need for a revision of some kind seems to be pretty generally admitted on the basis that the irregularities of the present calendar are plainly evident, annoying and costly. Committees have been organized for some time in most European countries and in Brazil, Chile, Mexico, China, Japan, and the United States, where questionnaires have been sent out in tens of thousands in order to ascertain public opinion in the matter. In some countries, notably in Germany, Great Britain, Ireland and the United States, committees have been active in educational work. The U. S. A. committee has already reported that American opinion is favorable to calendar reform and that the proposed 13-month year is preferred. It is stated that at the end of 1930 more than 118 companies in that country had adopted the system, while hundreds of enquiries have been received for information as to how 13-month calendars for private corporations are operated.

In France, the committee appointed by The National Economic Council (an official body over which the Premier presides) completed its study of the subject during the past year and recorded its preference for the 13-month calendar. German railway, educational and other authorities have reported in favor of the plan. In Great Britain, it is stated, many business and labor organizations have been already impelled by the defects of the present calendar to use four-week periods instead of months, while since July 1, 1930, post office settlements between all nations have been paid in four-week periods. It is further reported that vital statistics and health records are now kept by the League of Nations, and all nations, in four-week periods.

Defects of Present System

Advocates of calendar reform before the League of Nations cite the following as the principal defects of our present system:

First, the divisions of the year, the months, quarters, and half-years, are of unequal lengths. Months vary from 28 to 31 days; quarters from 90 to 92 days; while the first half-year, therefore, contains two or three days less than the second. These inequalities cause confusion and uncertainty in accounting, statistics and schedules, while comparisons are difficult and inaccurate.

Second, the calendar is not fixed, changing every year. Each year begins on a different day of the week. The exact reproduction of the calendar of any year takes place every 28th year, hence periodical events cannot be fixed with precision.

Third, constant shifting of the number of working days in months causes continuous confusion. At present the difference between various months is as high as 19 per cent. Workers are troubled by the unequal intervals between dates for pay-days and those when rents and monthly installments are due. The fifth week's groceries would never have to be bought out of the same monthly salaries or allowances, if the new calendar were instituted.

Three Plans Suggested

Out of the many plans for improving the calendar which have been submitted to the League of Nations, there are exactly three which are likely to receive serious consideration. The others are regarded as too absurd or too revolutionary to get widespread support.

The first, promoted by a British railroad man, is the so-called thirteen month plan, which ingeniously provides that every month shall be exactly alike, consisting of twenty-eight days and beginning on Sunday. At the end of the year, the odd 365th day would be known as "Year Day," —an international holiday with no place in either the monthly or weekly programme. The name of the new month would be "Sol" between June and July.

February of this year is cited as the perfect month, commencing on Sunday the first and ending on Saturday, the twenty-eighth. The adoption of standard 28-day months would mean that the same date in any of the proposed 13 months would fall upon the same day of the week. Both the current day and date could be constantly recorded on clocks and watches.

A second suggested change, known as the "Swiss plan," is less revolutionary. It provides a twelve-month calendar in which each quarter is identical. The first two months of each quarter are to have thirty days each, and the last month thirty-one days. The last day of the year, as in the first scheme, would be a "Year Day" holiday.

The third scheme, which owes its arrangement to an American, and which is sponsored by a body of representative scientists, educators and labor leaders through their membership in the World Calendar Association, is generally regarded as the plan which presents the fewest obstacles to universal adoption. It suggests twelve months, divided into four quarters of exactly equal length, supplemented by an extra "Year Day" at the end of the fourth quarter, which would be in effect a double Saturday, combining with New Year's Day into a three or four-day rest period. This plan provides that the first month of each quarter shall contain thirty-one days, and the two following months thirty days each. It thereby improves on the Swiss plan which brings five Saturdays and five Sundays into every third month.

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The Week in Business

Germany Clouds Business Horizon

Carloadings Continue to Decline

Prices Remain Unchanged

ALTHOUGH exchanges throughout the world reacted but little to the news of financial panic in Germany, the seriousness of the situation as a possible threat to the speedy restoration of normal business conditions throughout the world cannot be taken lightly. At the moment, business and financial opinion in leading centres seems to be one of suspended judgment as to the probable outcome of this crisis but, even if the present situation is tided over (as in all probability it will be), there is a real possibility that at any time the economic and political pots may boil over again and that next time, neither the country's present leaders nor international financiers will be able to head off the communistic elements that threaten Germany's position as a leading world nation.

From a trading point of view alone, Germany ranks third among the nations of the world, its total trade two years ago reaching an all-time record of $6,500,000,000 which is 30 per cent higher than the corresponding figure for 1913. In that year (1929) Canada's total trade with Germany amounted to something like $55,000,000 of which exports of Canadian produce totalled $32,000,000 and imports from Germany were about $22,000,000. For the 12 months ending May, 1931, total trade with Canada had dropped to about $29,000,000 with Canadian imports from Germany exceeding our exports to that country by $2,000,000.

AMONG current Canadian business indices, the record of car loadings of revenue freight continues to offer ample proof that there has been little real pick-up in business in recent weeks. Currently, car loadings are running 20 per cent below the corresponding figure of a year ago, while for the year to-date the total decline, even from the low level of 1930, is about 17 per cent. In other words current loading figures are now considerably lower than the average for the year and records for the past four weeks show that instead of any improvement as weeks go by there has been an increasing and more than usual seasonal decline during June, 1931. This is in line with United States experience, the June slump in freight traffic over there, being described as nothing short of "shocking." Loadings of less-than-carload-lot merchandise on a seasonally adjusted basis were actually lower in the U. S. A. than in any previous month back to July, 1921.

Incidentally this focuses attention on the probability that carloadings as a barometer of business will have to be carefully adjusted in future if they are to be of any real service to business as a comparative business indicator. The reason is, of course, that in many parts of the continent, highway trucking both by private corporations and by so-called common carriers, has developed to such an extent that comparative figures of the movement of merchandise by railway are seriously affected as a reliable business barometer.

LITTLE change in prices has taken place during the past week, reliable indices having been able to hold the ground gained during June. The Canadian official wholesale price index for June declined by .8 as was to be expected while at the same time retail prices in Canada dropped a similar amount to 89.6 as compared with 100 in 1926. Weekly indices in the United States have held recent gains but some perturbation was felt in commodity circles last week when sharp declines occurred in cotton, rubber, copper and other commodities. For the present, however, observers are inclined to the belief that this decline will be insufficient to carry indices back to the low point reached at the beginning of June.

Business Conditions in Canada

TOBACCO HABITS UNDERGO CHANGE IN PAST DECADE

Cigarette Consumption Jumps 70 P. C.—Cigar Smoking Declines

Cigarette production in Canada in the last decade has risen by over 70 per cent, according to a recent survey of the industry, while smoking tobacco has likewise increased in popularity though not to the same extent as cigarettes. The output of cigars, on the other hand, has declined. In 1920 the production of cigars was 194,361 thousands, and in 1930 the output was only 188,887 thousands. Production of cigarettes, however, increased from 2,936,156 thousands in 1920 to 5,086,093 thousands in 1930. Smoking tobacco had a production in 1920 of 14,109,929 pounds and 10 years later of 17,188,245 pounds. The output of snuff increased from 711,186 pounds at the opening of the decade to 977,308 pounds at its close. Of chewing tobacco there was a falling-off in production from 6,640,134 pounds in 1920 to 4,121,113 pounds in 1930.

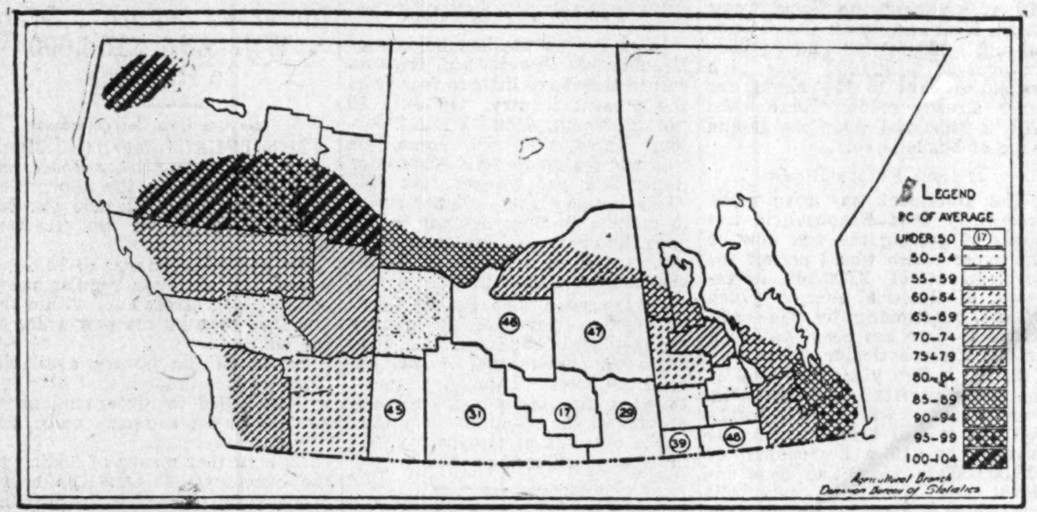
The official report on the industry for 1930 covers only the 30 largest establishments, but it indicates that there was a substantial increase in the activity of tobacco manufacturers for that year. These 30 establishments in 1929 accounted for 93.5 per cent of the output, although reports were received from 109 establishments. On this basis the production of the industry for 1930 is estimated at $90,250,000 compared with final figures of $85,165,206 for 1929. The actual value of the output for the 30 establishments in 1930 was $84,442,044, the capital invested in 1930 was $50,427,630, while that for the industry as a whole is estimated at $53,175,000. In 1929 the final total of capital invested was $50,093,024.

"The Canadian industry," says Agricultural and Industrial Progress in Canada, "supplies approximately 92 per cent of the tobacco consumed within the Dominion. Taking the estimated production as a basis, the consumption of tobaccos in Canada in 1930 was approximately $96,200,000. Compared with this total, imports were valued at $7,709,414 and exports at $1,779,198. Of the imports $5,731,402 came from the United States while the United Kingdom took exports to the value of $1,636,692. The imports of tobacco were almost entirely in the form of raw leaf, this item accounting for $6,564,073 of the total imports.

"Over half the leaf tobacco used in the Canadian industry in 1930 came from domestic sources. The total quantity of raw leaf used was 35,525,668 pounds with a value of $18,957,893. The domestic leaf amounted to 18,376,521 pounds with a value of $5,939,320, while the imported article totalled 17,149,147 pounds valued at $13,018,573. Imports of raw leaf tobacco came for the most part from the United States, but there were also imports of raw leaf from the United Kingdom, Cuba, Italy, the Netherlands and the Dutch East Indies. The production of leaf tobacco in Canada in 1930 is estimated at 36,712,700 pounds, but this is a considerable reduction from the maximum production, which was registered in 1927 at 43,916,700 pounds. It shows, however, an increase of over 20 per cent from 1929, when 29,786,000 pounds of raw leaf were cropped from Canadian farms."

Cattle Freights at 50 per cent reduction have been offered by the two Canadian railways on movements of feeder cattle from eastern points to the seaboard for export, Hon. Robert Weir, Minister of Agriculture, informed the House of Commons committee on agriculture recently. The offer is in effect until the end of November.

How Prairie Prospects Looked at June 30



The above is a graphic picture of the condition of spring wheat in the Prairie Provinces as reported by the Dominion Bureau of Statistic correspondents as at June 30. The three provinces are divided into areas according to the ratio that crop prospects on that date, bear to long-time average yields per acre. Spring wheat for all Canada on June 30 was reported as 58 per cent of normal as compared with 80 per cent as at May 31, and 92 as at June 30 a year ago.

The way in which the brunt of this is borne by Saskatchewan is clearly shown in the above sketch, but it must be remembered that heavy rains on June 29 and subsequently, have undoubtedly done much to improve the situation since this data was collected.

Building Outlook Poor Wage Decline Imminent

Montreal Unions Expected to Lead Way With 15 or 20 Per Cent Cut as Jobs Grow Scarcer

Construction prospects for all types of buildings in Canada offer little encouragement either for the summer, fall or winter, according to leaders in this industry interviewed by The Financial Post recently. Costs are expected to go lower in the near future in the opinion of one leading executive, due in part to lower wage rates and also to lower material costs in most items where prices have free play.

To date construction contracts awarded in Canada for the first six months of the year are 32 per cent below the 1930 figure which in turn was approximately 13 per cent below the corresponding figure for 1929. This brings the 1931 total, to date, to $163,000,000 which is a far cry from the grand total of $576,000,000 achieved during 1929. No figures for building permits in 61 Canadian cities are available as yet for the six months period but for the five months ending May, 1931, the decline in this figure was 25 per cent from 1930, which in turn was 20 per cent below 1929.

Wage Problem Looms

Just what is going to happen to wages in the construction industry this year is a matter of considerable moment to the industry and indeed to many other trades which look to this group as one of the leaders as regards wage and labor trends.

Although no official announcement has been made it is believed that in Montreal about the middle of this month, organized labor in the construction trades will take a 15 to 20 per cent wage cut in an effort to improve conditions in the business and increase the working hours and similarly the "real" wages of its membership. Whether this example will be followed in other cities is doubtful due to the fact that in most large cities the situation is largely controlled by one union, whereas in Montreal there are three rival unions and of late conditions have been highly muddled due to inability of the organizations to control their membership in maintaining the nominal rates of wages now quoted.

What has happened of course is that large contractors who quote nominal union wage rates in contracting for whatever business is available, find themselves outclassed by small organizations who are able to get laborers at "bootleg" wages. The result is that the small men get the work and the larger firms, together with members of the union who still hold out for the old scale of wages, are left for the most part unemployed. The effect of the proposed Montreal wage reduction will be closely watched both by other groups in the construction and those outside.

SAYS APPLE FARMS COST $2,950 TO RUN

Ontario Growers Derive 52 P. C. of Revenue from This Fruit, Survey Shows

Apple-growing farmers of Ontario derive 52 per cent of their revenue from this fruit according to a special survey conducted by the Department of Agriculture, Ottawa, covering 1929 operations. Some 148 farms were used as the basis for the survey, average capitalization of each property being about $20,000. Annual expenses totalled about $2,950 for each farm of which 39 per cent was for labor.

Farms surveyed were located along the north shore of Lake Ontario between Picton in Prince Edward county and Hamilton, also in Norfolk county and in the districts surrounding Meaford and Thornbury on the Georgian Bay.

It is pointed out that while apples are grown on many farms in Ontario as a minor source of revenue, the investigation was for the purpose of analyzing the apple business, and so-called farm-orchards were not included in large numbers although 22 orchards out of the 148 contained less than eight acres of bearing orchard.

The average size of farm is shown to be 116 acres, while by far the greater proportion of orchards are under 18 acres in size, the average being 21 acres. Approximately 45 per cent of the farms had some non-bearing orchard, the average over the 148 farms being 3.4 acres.

Average capitalization was $20,028, of which 82.8 per cent was in real estate, 8.5 per cent in machinery and equipment and 6.6 per cent in livestock. Of the average real estate valuation of $16,585, 39.3 per cent was in buildings and 60.7 per cent in land, though the investment in buildings varies in the different sizes of farms all the way from 21 per cent to 49 per cent of the real estate owned.

Analysis of operating expenses for the year ending May 31, 1930, shows that $2,950 was the average amount spent, exclusive of living expenditures. Labor is the largest item, hired labor, including an allowance for board, averaging $927 per farm, or 31.4 per cent, while allowance for work done by members of the family over school age averaged $227, or 7.7 per cent, making the total labor charge 39.1 per cent of current expenses. Barrels represented 15.4 per cent, feed 8.2 per cent, and taxes 6.9 per cent. Spray and fertilizer accounted for 8.5 per cent. repairs to buildings and machinery 5 per cent, and packing and storage 2.4 per cent. Other items, such as blacksmith's bills, insurance, fuel and oil for farm work, made up the balance, 14.5 per cent, of the expenses.

Beef Trade With States Slumps Badly

Exports of Canadian beef during the first five months of this year amounted to 1,738,300 pounds as compared with 5,073,700 pounds for the same period of 1930. This enormous decline is almost entirely due to reduced shipments to the United States. Whereas no beef shipments were made to Great Britain during this period in 1930, 128,200 lbs. were taken this year, 60,900 lbs. of which were exported during May. These figures contrast with a total for the whole of 1930 of 243,000 pounds. Beef imports to date have dropped from 1,902,456 lbs. to 282,127 lbs.

Total cattle exports to May 31 to Great Britain were 3,878 head, and to the U. S. 2,009 head. For the same period last year the total exports were 12,001 head, all to the United States. Exports to Great Britain are going forward at the full capacity of boat space available, and to June 18, 7,001 head had been shipped.

Bacon Shipments Off

Exports of calves to June 18 show a considerable decrease, falling from 17,923 last year to 2,259. Bacon shipments for the first five months also declined very materially from 7,012,300 lbs. in 1930 to 3,497,000 lbs. The bulk of the bacon business is with Great Britain, whose demands dropped 54 per cent in 1930 to 2,809,900 lbs.

Pork exports at 1,750,100 lbs. were about 42 per cent lower, for the five-month period, than last year, a marked falling off of shipments to Great Britain being almost entirely responsible, these declining from 1,242,600 lbs. to 141,900 lbs.

Imports of bacon and hams for the five months showed an even greater reduction, amounting to 34,297 lbs. as against 4,152,687 lbs. last year, while pork imports were down over 50 per cent at 2,467,499 lbs.

Canadian Immigrants to the United States during May numbered 612, while the total for eleven months ending May 31 was 20,899. Emigrants to Canada from the United States in May numbered 120, bringing the eleven months total to May 31 to 2,370. These figures are from the U. S. Department of Labor.

MOTOR OUTPUT SHOWS RELAPSE TO 1924 LEVEL

1930 Output Only 40 Per Cent of Capacity—Exports Slump

Automobile production in Canada during 1930 dropped 43 per cent in point of value as compared with 1929, the total value of $101,677,487, which includes receipts for custom work and factory repairs, being the lowest reported for the industry since 1924. The number of cars and trucks produced was 153,372, having a sales value, f.o.b. plant, of $91,766,806. This is under 40 per cent of the total capacity of plants, which was 385,390 units.

Of the vehicles produced, sedans and coaches made up almost 51 per cent, which is the same proportion as in 1929; chassis, 14 per cent, as against 9 per cent the previous year; coupés, 11 per cent; touring cars, 8 per cent; roadsters, 5 per cent; trucks, 11 per cent, compared with 19 per cent in 1929; buses and taxicabs, less than 1 per cent.

Export shipments totalled 45,371 cars, 56 per cent below those of the previous year, due largely to the drastic decline in Australian buying, shipments to that country being 4,596 units as against 17,864 in 1929. Imports numbered 23,233 cars, a decrease of 48 per cent.

Consumption off 36 Per Cent

Apparent consumption of motor cars in Canada may be computed by deducting the number of cars exported from the sum of production and imports. On this basis, 131,234 cars were available for use in Canada, 36 per cent below the corresponding number for 1929, and 37½ per cent less than the record level of 1928. Taking the available supply of new cars in 1930 at 176,605 and the Canadian consumption at 131,234, it is evident that the home market absorbed 74 per cent of the total.

During 1930, eleven companies manufactured or assembled cars in Canada and 16 separate factories were in operation, ten of which were in Ontario, two each in Quebec and British Columbia and one each in Manitoba and Saskatchewan. Only three concerns produced their own engines, the total number made being 114,880 as compared with 165,421 in 1929. Imports of engines declined from 91,434 to 34,629.

Capital employed in the industry is given at $90,671,678, of which total $51,985,366 represented lands, buildings, fixtures and machinery. Materials used in 1930 cost $66,924,019 at the works, net after deducting the duty drawback on imported parts. The value added by manufacturing was $34,753,468. The average number of employees was 12,541 compared with 16,435 in 1929. Of the 1930 total, 10,333 were wage-earners and 2,208 salaried employees.

New Zealand was again in 1930 by far the best market for Canadian cars, although the total value of shipments dropped to $4,885,414 compared with $7,013,775 in 1929. British India came next and British South Africa third. Australia, the second best market in 1929, fell back to fourth place, followed by Argentina with shipments but 25 per cent of the previous year. Exports to the United Kingdom, which in 1929 totalled $4,362,831 dropped down to $849,818, with which it fell from fourth to seventh place on the list.

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly Latest 1931	1930	Cumulative Jan. 1 to date 1931	1930
C. P. R. Gross Earn. (July 7)	$ 2,663,000	$ 3,653,000	$ 73,164,000	$ 88,729,000
C. N. R. Gross Earn. (July 7)	$ 3,194,915	$ 4,097,389	$ 92,470,541	$ 114,008,480
Car Loadings (July 4)	43,545	54,980	1,301,301	1,585,844
Common Stock Index (July 9)	84.4	137.2	......	......
	Monthly			
Production—				
Pig Iron, tons (May)	50,511	80,505	243,400	385,105
Steel, tons (May)	75,335	99,312	406,272	541,292
Newsprint, tons (May)	202,607	237,681	942,725	1,070,848
Automobiles (May)	12,738	24,672	59,250	95,595
Books and Shoes, pr. (May)	1,740,792	1,524,938	7,402,528	7,374,139
Flour, bbls. (May)	1,183,280	1,392,982	5,527,658	6,047,304
Mineral Production—				
Gold, oz. (April)	223,082	169,166	824,808	632,487
Silver, oz. (April)	1,685,842	2,568,017	7,801,929	7,933,672
Nickel, tons (April)	2,067	5,095	12,843	18,494
Copper, tons (April)	18,922	12,754	49,092	51,978
Lead, tons (April)	16,119	13,825	53,902	58,343
Zinc, tons (April)	11,353	10,090	43,436	40,484
Coal, tons (April)	888,312	907,451	4,078,825	4,882,548
Nat. gas, M. cu. ft. (April)	2,454,063	2,433,026	11,380,924	12,516,885
Petroleum, bbls. (April)	153,705	102,335	649,425	412,142
Automobile Financing—				
Used Cars (May)	$ 2,877,442	$ 4.619,712	$ 10,121,626	$ 14,787,086
New Cars (May)	$ 3,439,738	$ 5,013,427	$ 10,514,463	$ 14,605,500
Construction—				
Building Permits (May)	$ 11,868,171	$ 20,321,160	$ 49,001,536	$ 66,792,498
Contracts (June)	$ 29,793,400	$ 54,728,200	$ 162,937,600	$ 240,626,000
Labor—				
Employment Index (June)	103.6	116.5	....	....
Trade—				
Imports (May)	$ 73,457,404	$ 101,544,817	$ 301,402,000	$ 451,770,000
Exports (May)	$ 59,832,245	$ 77,260,557	$ 237,372,000	$ 357,797,157
Imports of Key Products—				
Rubber, lbs. (May)	6,154,536	5,809,139	25,684,371	30,829,054
Cotton, lbs. (May)	8,405,000	7,056,000	40,940,000	40,944,000
Sugar, raw, lbs. (May)	149,907,300	98,646,300	312,344,400	231,967,100
Petroleum, crude, gal. (May)	107,208,711	99,212,897	346,986,755	363,503,168
Coal, aons (May)	1,191,017	1,373,573	4,167,411	6,739,905
Exports of Key Products—				
Newsprint, tons (May)	185,431	225,251	835,934	973,281
Automobiles, No. (May)	1,512	3,024	9,228	19,880
Wheat, bus. (May)	29,521,699	13,466,884	67,103,690	40,214,646
Wheat flour, bbls. (May)	481,265	2,988,963	2,174,964	5,104,530
Electric Power—Output—				
M. Kilowatt hours (May)	1,359,772	1,544,627	6,999,405	7,515,336
Population—				
Emigration (May)	612	4,216	5,469	21,679
Immigration (April)	3,201	19,309	8,523	41,214
Finance—				
Failures, No. (May)	163	166	944	1,027
Failures, Liabilities (May)	$ 2,970,416	$ 2,600,755	$ 17,996,421	$ 24,002,531
Bank Debits (May)	$8,171,603,100	$3,426,869,070	$13,731,605,923	$15,627,429,158
Bond Sales (June)	$ 51,444,897	$ 68,994,483	$ 964,439,511	$ 373,293,819
Insurance sales (May)	$ 41,314,000	$ 50,085,000	$ 215,275,000	$ 245,407,000
Wholesale Prices (1926—100—				
General Index (June)	72.2	87.7	....	....
Iron and its products	87.4	91.2	....	....
Cotton, raw	52.0	82.3	....	....
Grains	42.0	73.2	....	....
Live stock	76.0	121.6	....	....

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National Biscuit
Otis Elevator
United Fruit
United States Steel
Woolworth
RAILROADS
Atchison, Top. & Santa Fe
Illinois Central
Louisville & Nashville
New York Central
Pennsylvania Railroad
Southern Pacific
Union Pacific
OILS
Standard Oil of California
Standard Oil of Indiana
Standard Oil (New Jersey)
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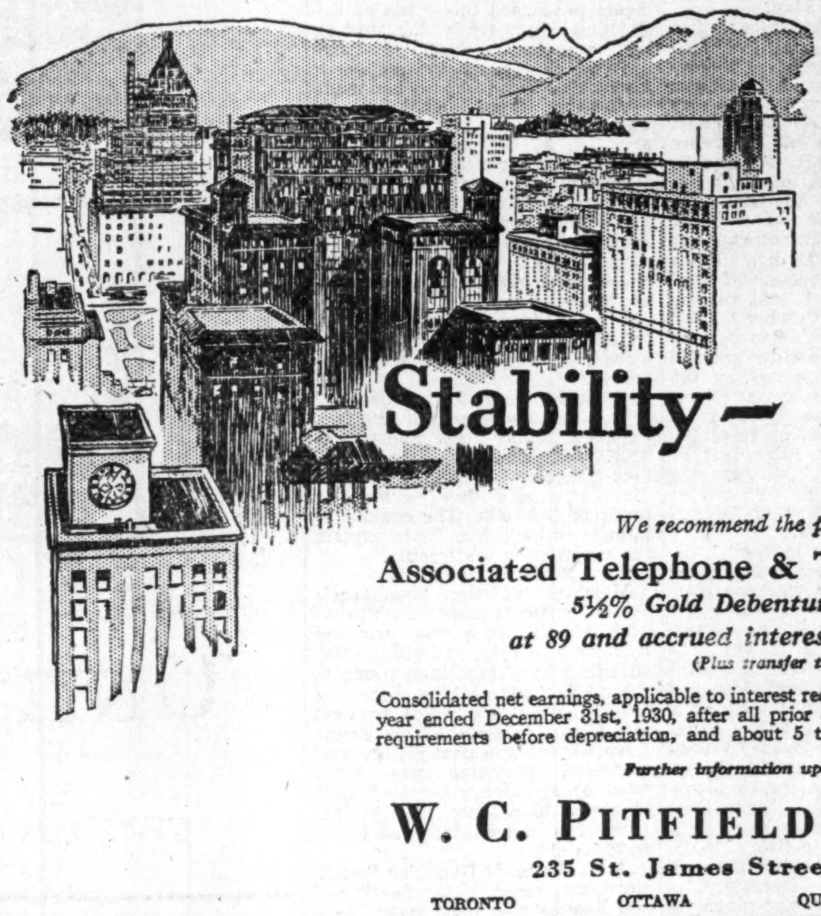

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Beauharnois Enquiry Brings Out Many Facts

History of Enterprise and Record of Probe to Date Are Outlined in Brief

From Our Own Correspondent

MONTREAL.—Inquiry into the affairs of the Beauharnois Power Corp. and subsidiary organizations now being carried on by a special committee of the House of Commons, has revealed many facts of interest but the manner in which the information has been disseminated from the committee rooms has led to considerable confusion, and to some fear for the future of the enterprise.

Water power possibilities at the Beauharnois site have been appreciated for over a hundred years. The first development took place at the beginning of the 19th century, when the seigneur of Beauharnois built a small feeder canal from Lake St. Francis to the headwaters of the St. Louis River.

Robert Acquires Control

As time went on these water rights were acquired by the Robert family. They recognized that in the minor diversion right lay the potentialities of a larger scheme. To that end J. B. and his son, W. H. Robert, acquired other rights along the St. Louis River.

At the beginning of this century the Beauharnois Light, Heat and Power Co. was formed to acquire the Robert water rights. In 1926 R. O. Sweezey, of Newman, Sweezey and Co., investigated the project and later formed a syndicate to take them over.

Syndicate Takes Over

Considerable time and energy was spent by the first syndicate in whipping the enterprise into shape. But the scheme was of bigger proportions than first estimated. Consequently it was necessary to secure additional funds to carry the syndicate along to the point where the project was ready for public financing.

Before bringing new members into the syndicate, however, it was felt that the old members should have certain concessions for their initial venture. A new syndicate was formed after Quebec gave its approval to the project, with a capitalization of 25,000 units. This is known as the Beauharnois Power Syndicate. Old members were given 2 units for each old one, while new members were offered new unit at $100 each.

Details of Syndicate

As the actual money put up and the profit taken out by the syndicate is of more than passing interest at this time, an analysis is given. The first syndicate issued 5,000 shares which brought the treasury $261,000. Of these 5,000 shares only 600 were given for consideration other than cash.

Upon the formation of the Beauharnois Power Syndicate the old syndicate members received 10,000 shares, which were given a book value of $1,000,000. Sterling Industrial Corp. received 2,000 shares for its "assets," which were given a book value of $200,000. The balance, or 13,000 shares, were sold at $100 each, or for a total of $1,300,000. Thus the Beauharnois Power Syndicate had 25,000 shares, upon which a book value of $2,500,000 had been placed. The amount of actual money placed in the syndicate was $1,561,000. Later on the profit made on these syndicate units is shown in detail.

Deal With Bankers

The syndicate agreement provided that Newman, Sweezey and Co., and the Dominion Securities Corp. were to have the right to underwrite the power company's financial needs. This was a point of importance as will be seen later on.

Secure Ottawa's Approval

Rapid progress was made with plans from the time the Beauharnois Power Syndicate was formed. Application had been approved by the Quebec Government for authority to divert a flow of 40,000 cubic feet of water per second from the St. Lawrence. As the development was to take place on a navigable river, it was necessary also to obtain the authorization of the Federal Government.

At this time there was considerable discussion over the St. Lawrence Waterways scheme. It was felt that the Beauharnois project would interfere with it, but assurance was given by the promoters and confirmed by engineers, that such would not be the case. Rather, was it pointed out, that through the development of the Beauharnois power site, the Government would be supplied free with an integral part of the St. Lawrence waterways, in the form of a canal.

In March of 1929, a Federal order-in-council was granted to the Beauharnois Light, Heat and Power Co., permitting it to carry out the proposed power scheme.

Restrictions Are Imposed

At this point it is well to note the conditions imposed by the Government upon the company in granting the necessary authorization. The orders-in-council provided that:

Navigation is the dominant interest in the river, and the works must not adversely affect water levels or contravene international engagements;

The ship channel in the new canal must be 600 feet wide on the bottom, with a minimum depth of 27 feet, and construction shall be generally in accordance with the standards of the International Joint Board of Engineers Report;

Provide For Navigation

Whenever the Dominion Government shall decide to construct navigation locks to connect the canal with Lake St. Louis, the company must provide the necessary land without cost, and also without cost 3,500 horsepower for their operation, as well as sites for aids to navigation and public wharves;

Upon a declaration of the Dominion Government the right of publice navigation shall exist along the canal to the same extent as along the new Welland ship canal;

The company shall provide and maintain all bridges over the canal, save for the movable spans necessary for navigation;

Within 10 years the company shall have installed a plant of a capacity of 500,000 h.p.;

In addition to a fixed annual rental to the province, which by 1937 will amount to $50,000, the company must pay an annual royalty to the province of $1 per horsepower developed, and to the Dominion of $46,950, which in each case may be revised every 10 years;

The works must not prejudice the existing rights of other power interests and producers;

Detail construction plans must be approved by competent Government authorities;

No electrical power may be exported outside of Canada, directly or indirectly.

Form Holding Company

Six months later the Beauharnois Power Corp. was formed to acquire all the shares of the Beauharnois Light, Heat and Power Co. and other subsidiaries such as Beauharnois Transmission Co., Beauharnois Land Co., Beauharnois Construction Co., Beauharnois Railway Co., etc.

Trouble With Jones

Prior to the financing of the project, internal troubles arose.. Frank J. Jones, former head of the Canada Cement Co., was president of the Beauharnois Power Corp. He had been partly instrumental in getting the charters of the company approved at Quebec and Ottawa. In addition to which he was a holder of a large number of units in the syndicate.

He disagreed strongly with the proposed methods of financing. He considered that the charges for underwriting were too heavy and on that account did not favor entering into a contract with Dominion Securities Corp. and Newman, Sweezey and Co. Matters reached such a point that Frank Jones called for proxies of other syndicate members to back him up in his objections. At the same time he offered to buy out the other members of the syndicate at $550 a unit, or that he and those who gave him a proxy should be bought out at the same figure. Mr. Jones was not successful in securing a majority of the proxies. Consequently the interest of himself and group was bought by other syndicate members and Mr. Jones severed his connection with the enterprise.

Public Offered Bonds

In December, 1929, the Beauharnois Power Corp., was publicly financed, $30,000,000 of 6 per cent collateral trust sinking fund bonds were offered at 100 and accrued interest. The underwriting group included Newman, Sweezey and Co., Dominion Securities Corp., Wood, Gundy and Co., James Richardson and Sons, Ltd., and Société de Placements du Canada. Virtually all investment houses across the Dominion offer these bonds to their clients.

The issue was attended with a vast amount of publicity and advertising, but the market was in such condition at the time (this was immediately following the stock market break) that disposal of the securities had to be largely done in Canada. The issue was so large as to be indigestible. Consequently it was necessary for the syndicate managers to maintain a market on the bonds for many months after the initial offering.

Details of Prospectus

In the prospectus covering the bond issue and in official pamphlets issued by the company, it was stated that proceeds of the bond issue were to be used for the acquisition of the undertaking and assets of the Beauharnois Power Syndicate, including the whole of the issued stock of the Beauharnois Light, Heat and Power Co., for proceeding directly or through subsidiaries with the construction of the power project and for other corporate purposes.

Profits to Syndicate

At this time the Bauharnois syndicate was wound up. For every $100 unit owned, the holder received $150 in cash and 40 shares of Class "A" stock. As the stock was then worth approximately $15 a share, the unit had a possible value of $750.

Control of the Beauharnois Power Corporation rested in three management shares for a period of 10 years. These were delivered to and are held by Arthur White, of Dominion Securities Corp., R. O. Sweezey, of Newman, Sweezey and Co., and Senator Hon. W. L. McDougald.

Plan Big Plant

It was officially stated that through its subsidiaries, Beauharnois Power Corp. proposed to construct a canal 15 miles in length, 3,000 feet in width and with a ship channel 600 feet wide and 27 feet deep south of the St. Lawrence River from Lake St. Francis to Lake St. Louis. A power house would be built at the Lake St. Louis end capable of housing equipment with sufficient capacity to generate 500,000 h.p. Plans called for the development of 200,000 h.p. by October 1, 1932 and the full 500,000 h.p. by October 1, 1935.

As it was impossible to develop 500,000 h.p. from the water granted by Quebec and approved by the Federal Government, it was necessary to purchase the rights of the Montreal Cotton Co., covering the diversion of 13,000 cubic feet of water per second. This gave the company 53,000 cubic feet out of a total ordinary flow of 220,000 cubic feet per second.

Market For Power

Prior to the public financing of the company there was considerable speculation as to where the company would sell its power. Before the financing, it was publicly stated that the Ontario Hydro-Electric Power Commission had subscribed for 250,000 h.p., at a reported cost of $15 a h.p. delivered to the Ontario-Quebec boundary line, while another 150,000 h.p. had been contracted for by Montreal Light, Heat and Power Consol., at a price said to be slightly under $15 a h.p., delivery to be made at Ste. Timothée. Through the contract with Montreal Cottons, that company was given by 8,000 h.p. per annum gratis, with an option on a further 4,000 h.p. at $15 per h.p. Later it was announced that an additional block of 50,000 h.p. had been sold. Though the name of the purchaser has not been officially disclosed, it is understood that Montreal Light, Heat and Power Consolidated is the party concerned.

Work Ahead Schedule

Actual development of the power project was pushed ahead rapidly and by the end of 1930 was well ahead of schedule. Up to that time work on the power house and tail race site had resulted in the removal of about 550,000 yards of material, out of a total of 1,300,000 cu. yds. which must be removed. About 10,700,000 cu. yds. of material have been handled along the route of the canal, representing almost one-third of the total which must be moved to install the initial development. Approximately 40,000 cu. yds. of concrete were processed, compared to total requirements of 350,000 cu. yds. Dredging of the canal between Lake St. Francis and Lake St. Louis was nearly half completed. Two dykes, over half a mile apart, were erected in the 15 miles between the two lakes.

Since that time further dredging and excavation work has been done. Work on the power house is well advanced. Orders for power house machinery have been placed and there is every reason to expect that the progress schedule will be maintained without difficulty.

Want More Water

In the spring of 1931 application was made to Quebec by the company for the diversion of an additional 30,000 cu. ft. of water, the claim being put forward that establishment of a large metallurgical industry depended upon the assurance of an ample supply of power, which the company was not in a position to guarantee as virtually all of the initial output had been contraced.

Scheme is Attacked

Before progress was made with this application, which had to be approved by both Quebec and Ottawa, events took a new turn. Over the past year and a half there had been considerable opposition to the Beauharnois power project. It was alleged that the scheme was economically unsound; that exorbitant profits had been made by the promoters; that the costs were too high to permit profitable operations that navigation would be endangered, etc.

The matter was brought up in the House of Commons last year by Robert Gardiner, M.P., but did not proceed very far as the House was near the close of the session. Toward the middle of May last Mr. Gardiner again brought up the subject, and made certain allegations at the time which brought a promise from the Prime Minister to investigate the whole project. Mr. Gardiner contended that the Beauharnois enterprise was without real legal foundation and contrary to the laws and treaty obligations of Canada. He further contended that the canal now under construction was larger than shown in the plans approved by the Governor-in-Council. Allegation of fraud, misrepresentation and improper dealing and that members of the Dominion Senate (reference to Dr. McDougald) were interested in the power scheme were made in the course of Mr. Gardiner's address and subsequent discussion.

Committee to Investigate

Consequently the Prime Minister named a committee of investigation under the chairmanship of Hon. Wesley A. Gordon composed of five Conservatives, three Liberals and one Progressive. This committee was given wide powers to investigate the Beauharnois project from its inception and the matters referred to in Mr. Gardiner's speech.

The committee got under way shortly after and has interviewed a number of people associated directly or indirectly with the enterprise. On July 1, it visited the scene of the project.

Highlights of Evidence

In order that readers of The Financial Post may have a clear-cut picture of the evidence produced to date at the sittings of the committee, a summary has been prepared:

Claim that the canal is larger than provided for in the order-in-council was made and substantiated.

Banks on the dyke were 4,800 feet apart, instead of 3,000 feet as provided in authorizations.

Witnesses stated that work had been proceeded with, in certain respects, without approval of Government engineers.

It was admitted that canal had been designed to take the full economic flow of the river.

Absorb an "Obstruction"

In order to remove an "obstruction," the Beauharnois Power Syndicate purchased the assets of the Sterling Industrial Corporation with a capital of $2,500 for 2,000 units which at one time were worth $1,000,000. This company had made application to parliament for certain water rights in the Soulange area. R. A. C. Henry, now vice-president and general manager of Beauharnois Power Corp., and Senator McDougald had each a half interest in this undertaking. Assets of Sterling Industrial Corp. were negligible, reason for purchase being given as to get rid of an "obstruction."

List of syndicate unit holders, together with number of shares owned, was given to the committee.

Jones Profit Uncertain

On a cash investment of $190,000, Frank P. Jones made a profit of $1,570,000, according to the secretary-treasurer of the company. Mr. Jones said that he made a profit of $790,000. The committee intends to have Mr. Jones explain the variation in statements.

Profit to Syndicate

Members of the Beauharnois Power Syndicate made a cash profit of $1,989,999 and a total profit of between $6,000,000 and $10,000,000, epending upon the fluctuations in the market price of the shares.

In the contract which brought Mr. Henry to Beauharnois Power Corp. as vice-president and general manager, provision was made whereby Mr. Henry acquired 8,995 shares at $1 a share. The market value has ranged from about $3 to $15 a share.

A. F. White, of Dominion Securities Corp., regarded the floating of the Beauharnois bond issue "as a piece of the most courageous financing in history."

The discount of 10 points on the bonds was regarded as a fair commission.

Proceeds of the $30,000,000 bond issue are now exhausted.

The banks are meeting day to day current expenses.

It is proposed to issue $50,000,000 of bonds of the Beauharnois Light, Heat and Power Co. Of this amount $20,000,000 have been authorized; $9,000,000 have been issued to date to the banks for loans already made. These loans will be redeemed when the second issue of bonds is sold.

Discuss Future Hopes

The statement has been made frequently that Beauharnois has hopes of getting the full flow of the paper which would permit the development of 2,000,000 horsepower of electrical energy. Much of the questioning by the committee to date has been developed around that particular point.

R. A. C. Henry testified that if the power project is carried to the point where it will develop 1,200,000 h.p. it will bring in a gross revenue at $15 a horsepower of $18,000,000 a year, and bond interest and operating costs will total about $10,000,000 a year leaving $8,000,000 for improvements, dividends, etc.

It is estimated that a 1,200,000 h.p. development would cost $120,000,000.

The present 500,000 h.p. development is erected to cost $76,000,000. The estimated cost per horsepower is $132.

Discuss Operating Expenses

Fixed charges on the 500,000 h.p. development are placed at $432,000. Operating expenses are estimated by R. A. C. Henry on the following per annum basis: labor, supplies, operation and maintenance, $275,000; administration, $175,000; insurance, $100,000; rentals, $483,430; depreciation, $375,000; and taxes, $50,000.

The inquiry continues and a report is to be made before the House prorogues. This will be probably in a week or ten days time.

Protect The Investor

In so far as the bondholders of Beauharnois Power Corp. are concerned they have little to fear from the present inquiry. On July 10 the chairman, Hon. W. A. Gordon, stated that the committee was not set up for the purpose of imperilling the project. He said "This investigation will not result in making it more difficult to finance the project or render insecure the position of those who have invested their money in it."

At the same time Robert Gardiner, prime mover of the inquiry and member of the committee, gave it as his opinion that it was beyond the power of the Government to pass the order-in-council approving of the plan, but "whatever is the outcome of the inquiry, the investor must be protected."

June Asbestos Shipments Below Last Year's Mark

From Our Own Correspondent

MONTREAL — Little improvement is seen in the shipments of asbestos from Thetford, Black Lake, Coleraine and East Broughton during the past month. While the total amount shipped corresponds closely to that reported for the preceding month, in comparison with June of last year it shows an appreciable decline.

Following are the shipments of asbestos for June, 1931, with comparative figures for the same month of 1930 in brackets: Crude No. 1, 21 tons (20); Crude No. 2, 16 tons (162); Fibre, 4,319 tons (5,824); Shorts in bags, 3,733 tons (5,698); and Refuse in bulk, no shipments (827).

UTILITY BOARD'S DECISION FAVORS WPG. ELECTRIC

Increased Fare Grant Will Add $156,000 to Revenue

From Our Own Correspondent

MONTREAL.—Manitoba Municipal and Public Utility Board has ruled favorably on the application of the Winnipeg Electric Co. for increased fares of the traction utility.

An additional charge of 10 cents a week is laid upon regular users of Winnipeg street cars within the one fare zone by the new order of the board.

Based on the figures available, it has been estimated that $156,000 will be added to the annual gross revenue of the company under the new fare structure.

As a further means of adding to the company's revenue the board proposes in future that the practice of issuing passes be limited. Passes valued by the company at $5 per month are at present issued to 992 employees in the gas, electrical and railway utilities. The board declares that passes to employees other than the railway utility can be no longer permitted.

New Fare Schedule

The order issued by the board establishes the following arrangement: Fares in the city zone—effective August 3—cash fares, 10 cents, two tickets, 15 cents; weekly permit of 25 cents entitles holder to unlimited number of rides at 5 cents a ride. It is expected that this will give an average fare of 7 cents. Scholars rates are unchanged.

While the increase in fare structure is satisfactory to the company, the two principal points of contention in the dispute between the company and the city remain untouched. The company asks that the special civic tax of 5 per cent on gross earnings be abolished, together with the elimination of paving charges. The Municipal and Public Utility Board ruled that these are contractual obligations, over which it has no control.

Causes For Troubles

The main cause of the present difficulties of the traction company in Greater Winnipeg is the increasing use of the automobile, the board declares. Other causes of the present trouble, the board suggests, are that the company is operating too much mileage for the population served; the layout of the city does not lend itself to cheap transportation and annual growth of the system has added to the cost of operation, while another important factor is the public discontent, for which the company, like all others, is suffering.

To bring about a better feeling by the public generally, the board strongly recommends that the railway be segregated from all other of the company's utilities, believing that such a step will go a long way in improving public relation.

Economies in service must be brought about in the immediate future, the board declares, all such being based on reduced traffic, but consistent with retention of employees. The initiation of these is left in detail to the officials of the company, the municipalities and the board, as enquiry seems to warrant. It is not proposed, the board points out, that wages of personnel should be reduced, but rather that some operating schedules be temporarily revised and possibly some routes discontinued for a time.

See Future Trends

Looking to the future of the traction utility, the board sees more profitable developments summarized as follows: (1) Acquisition and ownership by the City of Winnipeg; (2) Metropolitan ownership and operation on the model of the Greater Winnipeg Water District; (3) Ownership by the company and operation by the public body functioning independently of any individual municipal control, according to a plan outlined by the City of St. Boniface; (4) Ownership by the Winnipeg Electric Co. as lessor, and operation by new company created by statute as lessees, free from all the obligations of the present series of franchise arrangement, either by contract by statutory enactment.

The board gives no indication as to which of these plans it prefers, but in connection with the last mentioned suggestion, proposes the creation of a Metropolitan Transportation Commission.

The railway utility, as a whole is declared to be competently managed, with the rolling stock and other equipment, generally speaking, in good condition.

B. C. Building Heavier This Year

Building returns for British Columbia for the first five months totalled $9,291,933, $128,914 higher than for the corresponding period of 1930. Greater Vancouver building permits for May, 1931, were $7,572,125 compared with $6,705,070 for the previous year.

N. Vancouver May Get Cotton Mill

Cotton mill for North Vancouver to employ 500 hands is planned by L. M. French Beytagh and Associates.

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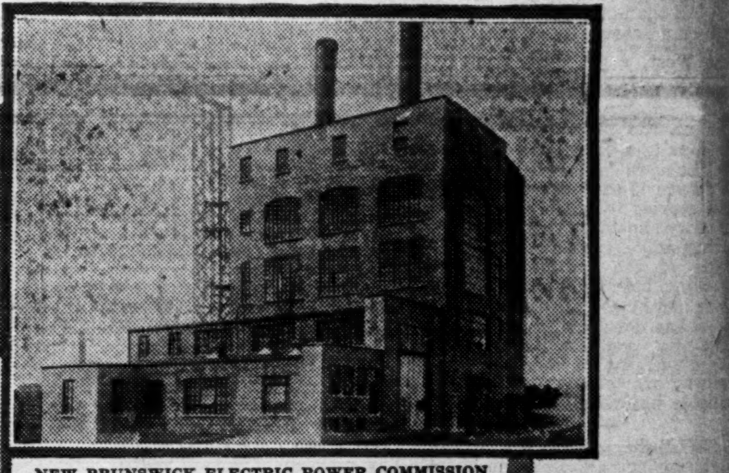
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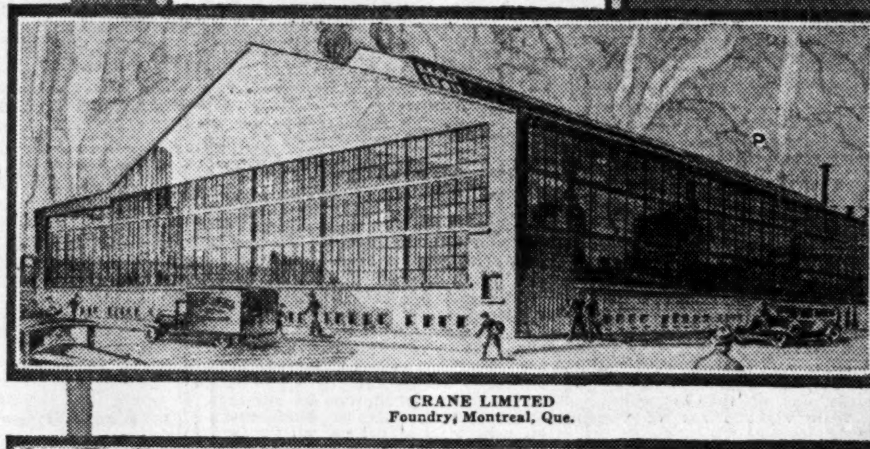
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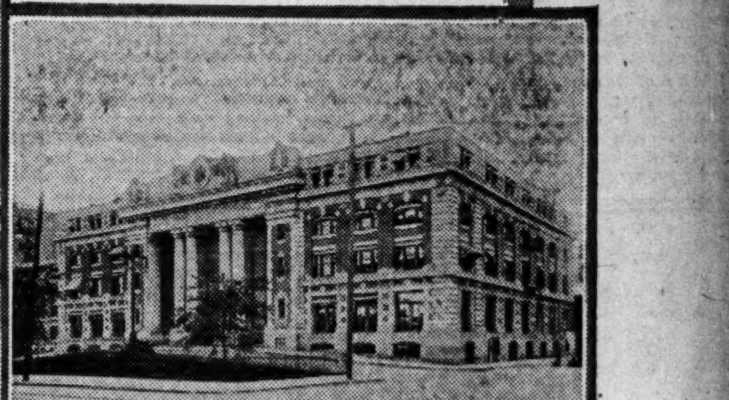
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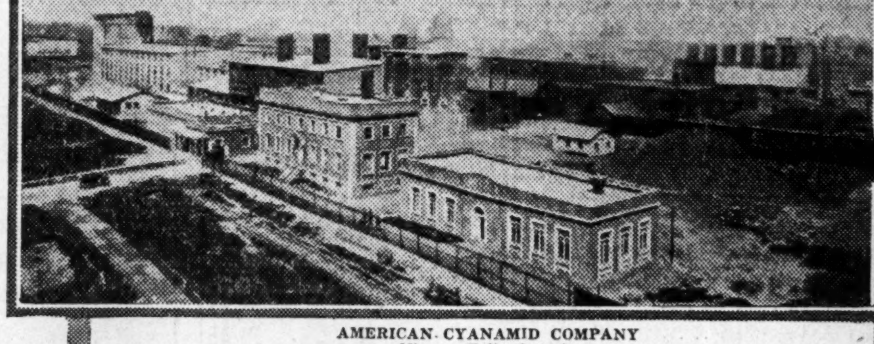
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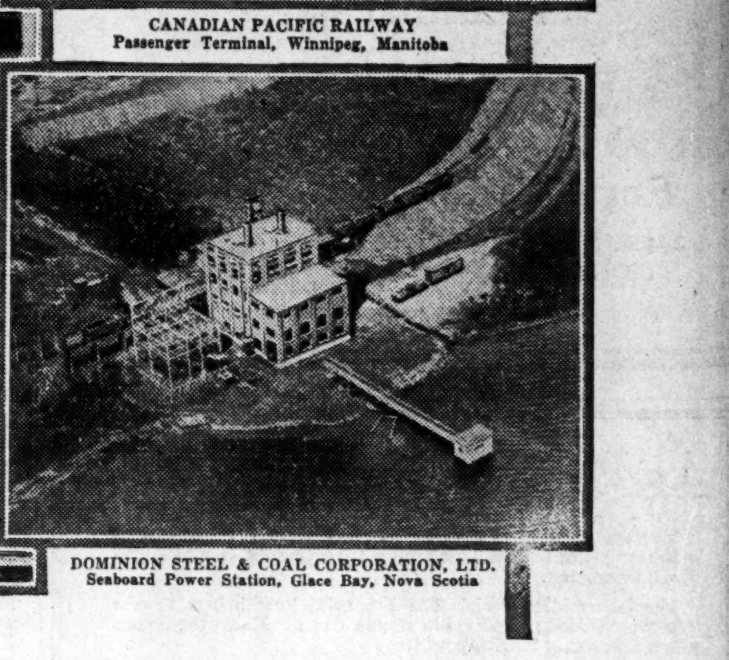
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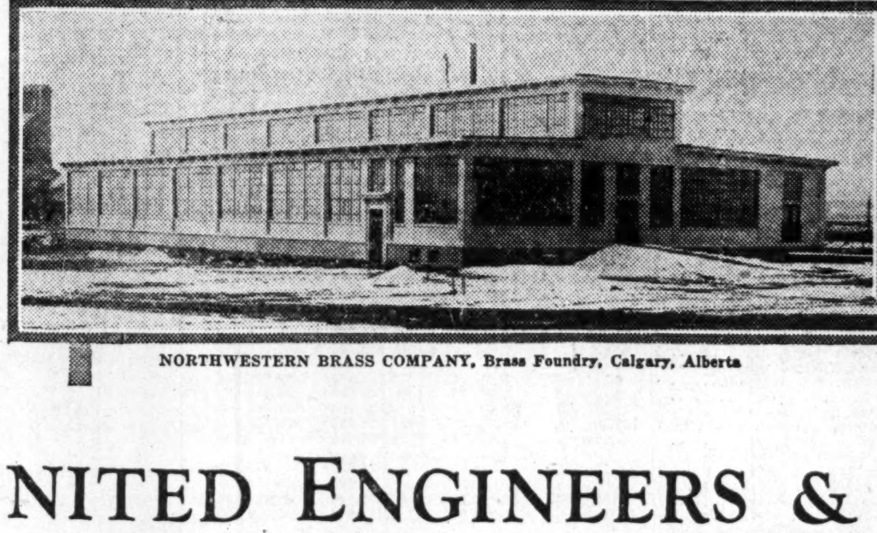
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EXPENSE CUTTING IS CHIEF ACTIVITY GEN. STEEL WARES

Slight Improvement Effected By Reduction in Expenses

From Our Own Correspondent

MONTREAL.—New policies adopted by General Steel Wares during the first half of this year were chiefly directed to reducing expenses and lowering sales prices. While there have been some rumors that sales have been showing some betterment, it is understood that what little improvement has been effected by the company is mainly due to cutting down of costs. Some new sales policies have been put into force.

Due to the general expectation of an increase in the sales tax in the last budget, there was a temporary stimulation in the company's activities before the new tax went into effect; since that time, however, events have proved the situation was but temporary as the increased rate of operations has not continued.

Western Sales Decline

Western conditions have had their effect on sales and it is not believed that the management expects to be able to report any noticeable improvement until business in the Prairie Provinces shows an upward trend.

That the company is making aggressive efforts to maintain its sales is seen in a recent reduction in prices despite the additional 3 per cent imposed by new sales tax. Further, in April of this year, all packing charges were eliminated, with a view to eliminating distribution.

Situation of Bonds

In view of this lack of improvement in earnings, attention is naturally directed to the company's first mortgage bonds of which there are outstanding $8,802,500. Interest requirements last year totalled $549,134 as compared with an operating profit of $12,538.

No depreciation was charged off in 1930—in fact, the sum of $645,000 was transferred from property, depreciation and contingency reserve to make up the deficiency. This reserve, at the end of 1930, totalled $3,524,531; how long the company will see fit to transfer funds from this reserve to meet interest charges, in the event of their not being earned, remains to be seen.

The wide decline in earnings last year which dropped from $1,206,200 in 1929 to $12,538 last year, was mainly due to a sharp reduction in volume of sales, particularly in the West, and to the contraction in inventory values. The preferred dividend was deferred in February, 1931.

Hardware and Metal recently reported that, commencing July 1, General Steel Wares Ltd., Toronto, made effective a general reduction in prices of practically all lines of enamelled, galvanized and other kitchen wares. The company also announced a pricing policy of absorbing the sales tax. An increase in the cash discount, elimination of broken package prices and introduction of a policy of quoting net prices instead of list prices with trade discount were other features of this announcement.

F. S. Corrigan, vice-president and general manager of General Steel Wares Ltd., made the announcements. He said:

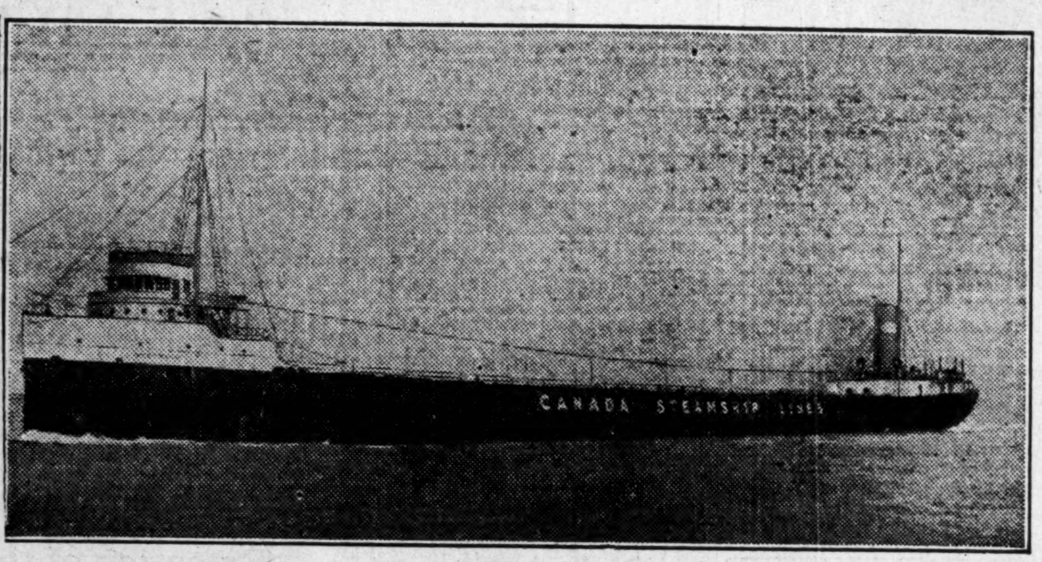
"In addition to the price reductions outlined, it is our intention to give customers a still further advantage by absorbing the sales tax in our prices. There will be no extra charge for sales tax on invoices with the exception of those covering the following lines: sheet metals, solder, tin and lead, specialties, signs, modern steel kitchens and goods made to special contract.

"Another announcement of importance is that on all goods which were previously subject to 1 per cent cash discount, 30 days, the rate of discount has now been doubled. Commencing with payments for goods purchased on and after July 1, the cash discount on all these goods is increased to 2 per cent, 30 days.

"The 'broken package' price which has been in effect on all purchases of wares in less than standard package lots has now been discontinued."

Mr. Corrigan also stated that net prices would be quoted in the future eliminating the former practice of quoting list prices, less trade discounts.

Canada Steamships Now in Ore Carrying Trade



With the opening of the new Welland Canal for ships up to 500 feet in length, huge upper lakes' freighters which have hitherto been confined to more northerly waters can now come to Lake Ontario ports. Most important result, industrially, was the decision of Canada Steamship Lines to put into service a fleet of five of its biggest vessels on a new ore and coal route to Hamilton. Three ships, the 500-foot "Westmount" and the twin 520-foot vessels, "Hagarty" and "Emperor," are now in the ore traffic. Photo shows: C. S. L. freighter "Westmount" making the first trip to Hamilton.

Foundation Co. Operations Are on Satisfactory Level

From Our Own Correspondent

MONTREAL.—The building department of Foundation Co. of Canada is the only division of the company's activities to feel the effects of business conditions to any appreciable extent, according to remark made by R. E. Chadwick, president of the company, following the annual general meeting of shareholders held recently.

The volume of business on hand in the engineering department is slightly under normal, while operations of the marine division are reported to be relatively satisfactory. The meeting was routine in character; L. F. Giblin of New York was elected to replace John W. Doty of New York, who resigned from the board of directors. Officers were reappointed.

Earnings of Foundation Co. in the year ended April 30, 1931, were $324,613 as compared with $388,782 in the previous year. Earnings on the common stock, after all deductions, were equal to $2.17 a share.

Loblaw Annual Meeting Was Routine in Character

The annual meeting of Loblaw Groceterias Co., held July 10, was routine in character and the board of directors consisting of T. P. Loblaw, J. Milton Cork, H. G. Muntz, Charles B. Shields and Daniel Urquhart was re-elected.

In addition to his remarks as contained in the annual report which showed net profit of $1.27 per share, T. P. Loblaw, president of the company, pointed out the constant change taking place in merchandising methods and stated that officials of the company were alive to these changes and would continue to exert every effort in maintaining and improving the position of the company in its field. Following the meeting a number of shareholders were conducted through the company's warehouse by Mr. Loblaw.

Foreclosure Order Given on Marine Building Site

Order has been made in the Supreme Court of British Columbia for foreclosure of the Marine Building. Defendants in a suit by James A. Richardson, Winnipeg, were Stimson Office Buildings Ltd. and Royal Trust Co. Defendants were given the right to redeem the property within six months of taking of accounts on July 6.

Plaintiff alleged default in payment of $250,000 principal and $25,000 interest, on a mortgage given to secure him the purchase price of the site on which the Marine Building stands and which he owned originally. Royal Trust Co. was co-defendant as trustee of a second mortgage of some $1,000,000.

NORTH STAR OIL UNLIKELY TO EARN MUCH ON COMMON

But Preferred Dividends Are Likely to be Covered

North Star Oil Company, operating on the Prairies of Western Canada, which earned $1.28 per share on its common in 1930, is not likely to show a large margin over preferred dividend requirements this year. The company has paid its preferred dividend of 7 per cent since 1920 and expectations are that the preferred dividend will be amply covered by current year's earnings.

Western conditions have worked against the company but due to the fact that its business is well spread over Manitoba and Alberta and that the chief Saskatchewan business is in the northern portion of the province, where agricultural conditions are fair, the company's record this year will not be as bad as one might expect if one were to judge by reports coming from Western Canada.

City Sales Maintained

Nevertheless the bad conditions in certain agricultural districts have operated against the company and volume of business is down. In the cities turnover is being well maintained. The company has not recently extended its number of service stations. The company has no plans for enlarging its number of outlets.

Collections in the country are very slow and, as with other companies in Western Canada, there is likely to be some substantial loss on farmers' credit. The country business is now being carried on strictly on a cash basis, and even in the cities credits are restricted. This will probably show in the balance sheet in a contraction both in accounts receivable and total liabilities.

Has Shown Earning Power

In the past, North Star Oil Company has shown good earning power and with a return to more normal conditions in Western Canada should be able to earn a fair amount on its common stock. Common stock earnings reached their peak in 1928 when there was surplus of $1.87 per share available. In 1929 earnings per common share were $1.75 and, as previously stated, in 1930 $1.28.

The company operates a refinery in Winnipeg and distributing plants at Calgary, Saskatoon and Regina, with service stations throughout most of Western Canada.

As no common dividends have been paid since the formation of the company there has been a substantial increase in assets through the plowing back of earnings.

Chemical Research Corp.

Lack of Adequate Information as to Position and Prospects of $7,000,000 Company Leads to Belief That Shareholders' Protective Committee Should Be Formed

I am a stockholder in Chemical Research Corp. and would like if possible to receive an explanation of the many misleading and unreliable reports that I have seen published on this company from time to time.

I am enclosing a copy of the company's last annual statement which you will note is not audited, contains no profit and loss statement, and does not show the balance carried over from the previous year's report. I cannot understand stock exchanges or curbs permitting companies of this class enjoying their privileges.

For some time we have been of the opinion that information available on this company was insufficient to warrant confidence of investors therein. As you know the company was incorporated in 1928 as a holding company to control the Gyro Process Company which controls patents covering the manufacture of gasoline by the Gyro vapor phase process for cracking crude petroleum. Shortly after the holding company was formed, namely, in 1929, one of the large shareholders (who is incidentally a director of the company), is said to have formed a pool for selling this stock throughout Canada and the price ran up to between $20 and $30 a share prior to the market crash in the fall of that year. It has since dropped back around the $2 mark as speculative fever declined and it was realized that as yet not a dollar of revenue has accrued to Chemical Research from its sole source of income, namely the Gyro Process Co.

Some time ago we addressed a lengthy questionnaire to F. F. Beall, president of the company asking for specific information covering the company's operation and prospects. We have had no reply to our enquiry as yet.

Information is Misleading

One of the most important points on which we believe accurate information should be available is the question of licensed versus producing units. Statements have been made for years linking the company with the leading refiners in the United States such as Standard Oil of New Jersey, Standard Oil of Indiana, Shell Development of California and so forth, in a manner which has, we think, led shareholders to believe that the company's subsidiary would shortly be obtaining revenue from these concerns by way of royalties. Actually these companies are merely licensed to use the Gyro process, but none of them, as far as we can learn, have ever used the process or have ever produced any revenue for Gyro Process Co. We have reason to believe that few, if any of them will ever erect plants to use this process or that Gyro Co. or its holding company will ever get any revenue from these big concerns.

Then as to patents. Official information from the company has always fostered the idea that whatever revenue was received by Gyro Process Co. was on the basis of royalties of 25 or 35 cents per barrel. This may never have been stated in so many words, but such statements as "The standard rate of royalty is 25 cents . . . ." and so forth have been officially endorsed by the company which has, we believe, led shareholders to base estimates of possible earnings on this figure.

Royalties on Sliding Scale

Actually we believe it is doubtful if any royalties received by the company are at anything like that figure, and we understand that most, if not all, contracts are on a sliding scale which drops revenues to a very small figure after any substantial barrelage has been used.

These are only two points in a situation which we consider is thoroughly unsatisfactory as far as shareholders are concerned, and we mention these merely to illustrate our belief that information on the company is inadequate and at times misleading.

No Audited Statement

Another important point is that apparently no balance sheet or profit statement of Gyro Process Co. has ever been published and accordingly shareholders are for the most part entirely ignorant of the financial position or set-up of the company from which profits (if any) alone can come. You probably noticed that in the last annual report of the Chemical Research Corp., President Beall did state that gross income of Gyro Process was between $500 and $600 per day and that engineering, development and patent work had consumed most of its income. As you point out in your enquiry, a balance sheet purporting to be that of Chemical Research Corp. was attached to the company's last annual report but this is not audited or signed in any way. It shows total assets of the company as $7,300,000 of which $7,200,000 is capital stock investment in Gyro Process Co., which would seem a pretty large investment in a company about which the shareholder-owners know virtually nothing.

We believe shareholders would be well advised to form a protective committee to pry some accurate information loose from the company. Our own attempts to get at the truth have been rebuffed and under such circumstances shareholders are entitled to utilize whatever legal machinery is available.

BRAZILIAN PUTS DIVIDEND BACK ON CASH BASIS

Conditions Are Viewed in Hopeful Light at Annual Meeting

Announcement of a cash dividend of 5 cents per share on the common stock of Brazilian Traction, Light & Power Co. payable September 1 to shareholders of record July 31, was made at the annual meeting held recently. This was accompanied by an intimation of a similar cash disbursement on December 1 and in addition a stock dividend of one new share for every 50 shares held. The cash dividend declared is the first since the company started to make quarterly payments in stock on December 1, 1930. Prior to initiation of stock dividends the dividend rate was $2 per year.

Reviewing economic conditions in Brazil, Miller Lash, K.C., president of the company, stated that coffee shipments had held up well although prices had declined materially. Prices at present are better than earlier in the year and during 1930. He stated that despite decrease in coffee values that the country had a favorable trade balance for the first four months of 1931 of £6,196,000 which is but slightly under that of the same period in 1930. Exports of native products have been more widely diversified, especially fruits, including oranges, and nuts.

Government Makes Progress

The Brazilian Government was stated to have already made good progress with respect to reorganization of its fiscal position and while there are still many difficulties to be solved Mr. Lash considered that the situation, economically and financially, is improving and the company faces the future with confidence. The relatively favorable monthly earnings statements of the company are due largely to drastic economies in operation that have been put in effect and many of these economies will be continued after the return of more favorable business condtions.

The meeting adopted the annual report and financial statement, approved by-laws re issue of share warrants to bearer as commonly used in Europe, and provided for forfeiture of shares which have been subscribed for but not fully paid. The existing board of directors was re-elected.

The Growth of a Large Organization

In 1927 Victoria Independent Stores Limited were organized with the idea of grouping together hundreds of grocers and general-store owners both in cities and rural districts, in order to give them an opportunity to keep pace with other large concerns of an altogether different nature which at the time were gaining every day in their conquest of the market due to their powerful buying power. From the inception of the Victoria organization, a large number of grocers responded to the call of the newly-formed group and at the end of the first year members of the group totalled over 100. In 1928 this number had increased to well over 300 and in 1929 Victoria dealers, patronized by a generous public who had in mind the National character of the organization, amounted to 500, and finally in 1930 this already large figure was brought up to 600. AND NOW,

"VICTORIA" INDEPENDENT STORES LIMITED

ANNOUNCE

A new group of wholesale dealers who, in the future will act as district wholesalers for Victoria Independent Stores in their respective territory, thus reducing freight expenses and giving a better delivery service to the retailer.

The huge buying power of the organization will assure members of the Victoria group prices that will appeal to the consumer who is always ready to buy from the Independent dealer providing he offers first-class quality at a reasonable price.

The new organization will also furnish manufacturers with a well-organized channel for the distribution of their goods at a minimum cost of distribution.

"VICTORIA" INDEPENDENT STORES LIMITED

In co-operation with

P. D'AOUST & CIE.
Ottawa, Ont.

SHERBROOKE PROVISION LIMITED
Sherbrooke, Que.

NAZAIRE TURCOTTE & CIE ENRG.
Quebec

LAPORTE MARTIN LIMITED
Montreal, Que.

Wholesalers will soon be chosen as District Distributors in other centres not mentioned above

DIVIDENDS

Service Stations Limited

DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend of 1½% ($1.50) per share has been declared on the outstanding 6% Preference Cumulative Redeemable and 6% Preference Cumulative Series "A" shares of the company, payable on the 1st of August, 1931, to shareholders of record on the register at the close of business on the 15th of July, 1931.

By Order of the Board.

F. J. MAYO,
Secretary.

Toronto, July 13th, 1931.

POWER CORPORATION OF CANADA LIMITED

Common Dividend No. 7

A DIVIDEND of Fifty Cents (50c.) per share being at the rate of Two Dollars ($2.00) per annum, on the No Par Value COMMON STOCK of Power Corporation of Canada, Limited, has been declared for the quarter ending July 31st, 1931, payable August 20th, 1931, to shareholders of record at the close of business on July 31st, 1931.

By order of the Board,
L. C. HASKELL, Secretary.

Montreal, June 26th, 1931.

BLUE RIBBON CORPORATION LIMITED

Notice is hereby given that dividends of 81¼ cents per share on the outstanding preferred shares and 50 cents per share plus an adjusting dividend of 17 cents per share on the outstanding common shares of the Company have been declared payable on and after August 1, 1931, to shareholders of record July 15, 1931.

J. C. JAMIESON,
Secretary-Treasurer.

THE

Teck - Hughes Gold Mines,

LIMITED

(No Personal Liability)

The Directors of this Company have declared a dividend of 15c per share, payable on August 1, 1931, to shareholders of record at the close of business on the 17th day of July, 1931. The books of the Company will be closed for transfer at the close of business on the 17th day of July, 1931, and will be reopened for transfer on August 1, 1931.

WM. C. HIMROD, Treasurer.

PENMANS LIMITED

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of July, 1931.

On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of August to Shareholders of record of the 21st day of July, 1931.

On the Common Stock, One Dollar ($1.00) per share, payable on the 15th day of August to Shareholders of record of the 5th day of August, 1931.

By Order of the Board.

C. B. ROBINSON,
Secretary-Treasurer.

Montreal, June 29, 1931.

FOREIGN POWER SECURITIES CORPORATION Limited

6% Preferred Dividend No. 17

A Dividend of one and one-half per cent. (1½%) (being at the rate of 6% per annum) on the 6% Cumulative Participating Preferred Stock of Foreign Power Securities Corporation, Limited, has been declared for the quarter ending July 31st, 1931, payable August 15th, 1931, to shareholders of record at the close of business on July 31st, 1931.

By order of the Board.

L. C. HASKELL,
Secretary.

Montreal, June 26th, 1931.

THE

BORDEN COMPANY

Common Stock Dividend No. 86

A quarterly dividend of seventy-five cents (75c) per share has been declared on the outstanding common stock of this Company, payable September 1st, 1931, to stockholders of record at the close of business, August 15th, 1931. Checks will be mailed.

WILLIAM P. MARSH,
Treasurer.

Brazilian Traction, Light and Power Company, Limited

(Incorporated under the Laws of the Dominion of Canada)

NOTICE IS HEREBY GIVEN that the Board of Directors of this Company has declared a quarterly cash dividend of 25 cents per share on the Company's issued Ordinary Shares of no par value, payable on 1st September, 1931, to shareholders of record on the registers at the close of business on the 31st July, 1931.

DATED at Toronto, Canada, the 8th day of July, 1931.

A. W. ADAMS,
Secretary.

NOTE:

The Transfer Agents of the Company are National Trust Company, Limited, Toronto and Montreal, Canada.

The Company's London Agents are Canadian and General Finance Company, Limited, 3 London Wall Buildings, London E.C. 2, England.

Simpsons, Limited

Preference Dividend No. 8

Notice is hereby given that a Quarterly Dividend of One and Five-eighths Per Cent. upon the outstanding Six and One-half Per Cent. Cumulative Preference Shares of this Company has been declared, payable on August 1, 1931, to shareholders of record at the close of business on the 20th day of July, 1931. The transfer books will not be closed.

Class "A" No Par Dividend No. 8

Notice is hereby given that a Dividend of Fifty Cents per share on the outstanding Paid-up Class "A" No Par Value Stock of this Company has been declared, payable on August 1, 1931, to shareholders of record at the close of business on the 20th day of July, 1931. The transfer books will not be closed.

FRANK HAY,
Secretary.

Toronto, July 13, 1931.

WESTERN GROCERS TRIMS EXPENSES; SALES OFF 12 P.C.

Crop Conditions and Decline in Railway Building Are Factors

Western Grocers earnings for the current year are certain to be affected unfavorably by serious crop conditions in southern and central Saskatchewan, where the company has always been strong and by the slowing up of construction activity in The Pas country where railroad building work is nearing an end.

For the first six months, sales of the company were well maintained for, while turnover was lower by about 12 to 14 per cent on a basis of dollars, most of this decline would be accounted for by the lower prices at which food products are being sold.

Cut in Expenses

Those in close touch with the company's affairs feel that it will give a good account of itself this year despite the unfavorable conditions on the prairies. The company has managed to reduce its expenses considerably and these economies have absorbed most of the loss that would otherwise have followed from the reduced volume of business. Thus for the year to date profits are not much below last year's earnings. Conditions this fall and winter may however, provide a severer test.

Company is the wholesale unit for about 700 independent Red and White stores scattered across the three Western provinces, northwestern Ontario and southern British Columbia. Many groups of these stores are in operation in the territories contiguous to the company's 12 warehouses.

Face Future with Confidence

In 1930 the company earned its preference dividend of $7 a share by a small margin. Payment of dividends on the preferred shares was re-established in 1926 and has been maintained steadily since. At that time arrears of 17½ per cent were adjusted by a re-arrangement of the company's capital stock.

In the last annual report, W. P. Riley, the president, states that the directors faced the future with confidence. It is understood that the board is still confident of the future feeling that expenses can be cut in line with declining earnings and that the long-term outlook for the West is assured, come what may in the near future.

Trustee Sells Idle Property Que. Alcohol

From Our Own Correspondent

MONTREAL. — Arrangements have been made for the sale of the property of Quebec Industrial Alcohol, Ltd. It is expected that final liquidation of this concern which has been languishing in the trustee's hands for several years, will be completed in the near future. Shareholders will receive nothing.

An assiduous stock-selling campaign resulted in the issuance of 70,000 shares of par value $10 when the company was formed some six years ago. It was planned to build and operate a distillery near Montreal; substantial profits were forecast in enthusiastic literature.

Some of the products which were to enrich shareholders are revealed in an old circular. The company proposed to manufacture denatured alcohol, anti-freeze fluids, fusel oil, carbonic acid gas, potash fertilizer, motor-fuel, vinegar and so forth; net earnings, according to what was claimed to be a careful survey, would be $350,000 a year.

The cable address on the circular is "Veracity."

Maritime Electric Enlarges Plant

Improvements at the plant of the Maritime Electric Company at Charlottetown include a large brick and steel structure to replace the old wooden one. New Plant installation will increase the capacity of the power house one hundred per cent.

DIVIDEND NOTICES

Western Steel Products Limited

Dividend Notice

Notice is hereby given that a quarterly dividend has been declared on the Six and One-Half Per Cent Cumulative Redeemable First Preference Stock of Western Steel Products Limited, payable on the 1st day of August, 1931, to shareholders of record on the 15th day of July, 1931.

BY ORDER OF THE BOARD.

WM. S. SPARROW,
(Secretary.)

Canadian Power & Paper Investments, Limited

Preferred Dividend No. 10

A DIVIDEND of 1¼% (being at the rate of 5% per annum) on the 5% Cumulative Convertible Preferred Stock of CANADIAN POWER & PAPER INVESTMENTS, LIMITED, has been declared for the quarter ending July 31st, 1931, payable August 15th, 1931, to shareholders of record July 20th, 1931.

By order of the Board,
L. C. HASKELL, Secretary.

Montreal, June 26th, 1931.

THE BANK OF TORONTO

Dividend No. 200

Notice is hereby given that a Dividend of Three per cent upon the Paid-Up Capital stock of this Bank has been declared for the current quarter, and the same will be payable at the Bank and its branches on and after the first day of September next to shareholders of record on August Fifteenth, 1931.

By Order of the Board.

H. B. HENWOOD,
General Manager.

Toronto, July 8th, 1931.

Graham Cars Now Being Built in Canada

Completion of the first Canadian built Graham car at the new Graham factory in Walkerville was marked by a civic celebration recently. Members of parliament and the provincial assembly, mayors of of the five Border Cities, Graham executives, and many of the leading Graham distributors and dealers in Canada were present at the ceremonies at the end of the assembly line in the new plant. Robert C. Graham, vice-president of Graham-Paige Motors (Canada), Limited, and Arthur C. Krueger, managing director, were guests of honor at a luncheon.

The first Canadian built Graham car will be routed to all major cities in Canada and will be on display in the showrooms of Graham distributors and dealers throughout the Dominion.

Crop Prospects

RECENT RAINFALL IMPROVES OUTLOOK

Feed Situation Improved on Prairies While Crops in Other Areas Good

Favorable weather in the past two weeks has caused an improvement in Canadian crop prospects, according to a telegraphic report issued by Dominion Bureau of Statistics under date of July 14. In the Maritimes, haying is retarded by rain, but all other crops show real promise. In eastern Quebec, continued good weather has been experienced, but in western Quebec and eastern Ontario, a period of drought has reduced the yields of hay, grain and roots. In the southwestern agricultural areas of Ontario, corn, wheat, truck and fruit crops are in excellent condition. Fairly generally throughout the prairie provinces, conditions show an improvement. The serious feed situation was relieved by new growth of grass and late-sown coarse grains. In the drought area, the early-sown grains will return very light yields. In eastern and northern Manitoba, northern and west-central Saskatchewan, and in western and northern Alberta, the crops are better, but uneven. In British Columbia, dry and warm weather of the first ten days of July was of great benefit to all crops. Subsequently, showery weather has been a hindrance to haying operations. Details of crop prospects by areas are as follows:

Maritime Provinces—High temperatures and heavy rains in Nova Scotia have led to good growth of all crops, but haying has been retarded and apple spot encouraged by the rain and heat. The rains were very helpful to strawberries and good crops of other berries are expected. In New Brunswick, the season is later, but with timely rains and fairly high temperatures, crop prospects are excellent. Haying is not yet general.

Quebec—In eastern Quebec, conditions remain promising. The rapid growth of some grain crops has led to lodging and in many districts, the haying has been delayed by rain. Serious cutworm damage is reported from La Ferme. In western areas, a period of drought in the last week of June and the first ten days of July reduced the yield prospects, particularly of early-sown grains, roots and pasture.

Ontario—Haying is nearly completed, two weeks of hot, dry weather being very helpful to the harvest operations, although the yield was lowered slightly. Wheat cutting has started, with fine yields promised, despite the drought. In the Ottawa Valley, drought was most severe, while in southern and western Ontario, nearly all crops have a good appearance. Corn, wheat and truck crops are particularly good.

Prairie Provinces—The heavy rains of the past week were confined to southeastern Manitoba and northwestern Saskatchewan, but helpful showers were fairly general over the West. Some heavy hail losses are reported in Saskatchewan, while grasshoppers and wheat stem maggots continue their depredations in Manitoba. Stem rust has made its appearance in southern Manitoba but, as in the spring wheat belt of the United States, is later than usual due to drought.

Most reports from Manitoba record an improvement in crop prospects. The early-sown crops of both wheat and coarse grains will be light, but late grains are more promising and new pasture growth has started. In the driest areas, crops are being pastured or ploughed under.

In Saskatchewan, it is now very evident that the rains were too late to save the wheat crop over large sections of the main south-central wheat area. In some districts, high winds since the rains have cut off the new growth. Many fields have been cultivated and reseeded in the hope of securing green feed. Northern and west-central districts have plenty of moisture for the present and crop prospects are uneven, but generally better.

Alberta received very little precipitation during the past week, but supplies were sufficient to encourage continued good growth. In the southeast and in scattered districts of the east-centre, yields will be light, while over the rest of the province, prospects are much better, ranging from fair to excellent.

British Columbia—Ten days of dry, hot weather at the first of July have been followed by dull and showery days. It is difficult to harvest the hay crop and quality will be lowered. Fruit and truck crops have been improved by the more favorable weather and the movement to market of the earlier varieties has begun. In the eastern valleys, conditions are improved, but the apple crop is reported as reduced from last year's production. Field crops are now growing well.

NOTICES

PACKAGE DESIGNER WANTED

Young man, clever at designing packages, with good personality and capable of developing into a salesman, required by large manufacturing organization. Must have some knowledge of lithographing, printing and box making. Give full particulars of experience, age and salary expected in reply. Apply Box 282, The Financial Post, Toronto.

Feed Prospects Good Across Saskatchewan

Any change in crop conditions during the past fortnight has been toward improvement according to telegraphic reports received over the week end by the statistics branch of the Saskatchewan Department of Agriculture. Rains during the past two weeks have greatly improved the feed situation and have benefitted crops which were not already too far gone as a result of drought and blowing.

In a large section of the area affected by drought the rains were too late to greatly benefit the cereal crops, particularly those early sown, and in some fields winds which have come since the rain, cut off the grain which was just coming through the ground. On the whole, however, the feed situation has improved in these districts.

In most of the northern and in some of the west central districts the soil has a sufficient supply of moisture for present needs and here the crops are very much better than those in other parts of the province, although they are generally uneven and many fields have a thin stand. As a result of the rain quite a number of farmers have been encouraged to re-seed to oats and barley fields which were blown out earlier in the season and with ample rainfall these fields will produce feed. Crops for the most part are free of diseases. Grasshoppers are reported in spots throughout the province and have done some damage. Pastures have improved and if rain continues to come the serious fodder situation will be greatly relieved.

CORPORATION TAX CAUSE OF QUERIES

Ontario's New Impost Lacks Definite Interpretation on Many Points

Until some definite interpretations of the new Ontario corporation tax are forthcoming the manner in which some of the provisions are to be applied appears to be "wrapt in mystery" to a great many business executives in that province.

The chief section of the Act prescribes that every incorporated company transacting business in Ontario "shall pay a tax of one-tenth of one per centum upon the paid up capital thereof including its reserve (except a proper reserve for depreciation) and all sums advanced or loaned to the company by any other company for capital account."

While there can be no question as to what constitutes the paid up capital the phraseology covering reserves is open to various interpretations, though it is understood from one of the officials of the Department to include "any surplus or undivided profit."

It is obvious that capital can be concealed in reserve accounts. Some firms have several accounts which are to all intents and purposes part of the surplus account, though not specifically held under such. The question immediately arises, when is a surplus not a surplus, and what constitutes a legitimate reserve?

There are probably few officials in the provincial treasurer's department who really understand the intention of the Act and it is certain that no uniformity of application can be attained until the existing wording of the Act is supplemented by some definite interpretations, which up to the present time the department has apparently not been prepared to give.

Trail Smelter Receipts

Following is a statement of ore received at the Trail smelter, for the period July 1 to 7, 1931, inclusive:

Name of mine	Locality	Tons
Highland Lass	Beaverdell	53
O'Brien	Cobalt	43
Union	Lynch Creek	47
Total		143
Total company		8,973
Grand total		9,116

Wabana Shipments Decline 42 per cent

From Our Own Correspondent

MONTREAL.—Total shipments of ore from the Wabana mines of Dominion Steel and Coal Corp. up to July 1 of this year were 267,027 tons as compared with 461,070 tons in the same period in 1930, a decrease of 194,043 tons or 42 per cent.

Of the total, 173,440 tons were shipped to Germany, 70,667 tons to Sydney, N.S., and exports to the United States, now completed for the year, were 22,920 tons.

June shipments showed some improvement over those of the previous month at 114,908 tons as against 108,233 tons in May. April shipments were 43,985 tons.

NEW PLYMOUTH BANS VIBRATION

The most important innovation embodied in the design of the new Plymouth car, recently announced, is the method of mounting the four-cylinder power-plant, giving rise to the description "floating-power." This design is claimed to insulate all engine vibration from the body and frame of the car, by means of two rubber mountings, front and rear.

The rear mounting is located in the cross-member at the rear of the transmission, while the front mounting is situated just under the water-pump and is supported on a specially constructed triangular bracket attached to the front cross-member. A line connecting the rear and front mounting points would pass through the centre of gravity of the engine.

Combined with floating-power in the Plymouth is another of the industry's latest innovations — free-wheeling in all forward speeds. The Plymouth free-wheeling unit was developed by Plymouth engineers, and differs in design from other free-wheeling units now in use. Its operation is controlled by a button on the instrument panel, and it may be locked out simply by pulling out this dash-control.

The six body styles with wire wheels as standard equipment are roadster, coupé, sport roadster, coupé with rumble seat, convertible coupé, and four-door sedan.

Prices are within the low price field, ranging from $820 for the business coupé to $950 for the cabriolet, delivered Toronto, license extra. F.o.b. Windsor prices are approximately $30 less.

May Auto Financing 34½ p.c. Below 1930

Automobile financing figures show a rise in May as compared with April of this year, but indicate a decrease of 34½ per cent as compared with the corresponding month in 1930. Total number of cars financed was 14,536 in May, compared with 14,533 in April, and 19,663 in May, 1930; and the amount of financing was $6,317,180 in May, $6,253,962 in April, and $9,633,139 in May, 1930.

New cars financed numbered 5,500 in May, against 8,615 in the same month last year, while used cars financed were 9,036 against 11,048 in May, 1930. Financing of new cars amounted to $3,439,738 in May, compared with $5,013,427 a year ago, while for used cars the amount was $2,877,442, as against $4,619,712 in May, 1930.

Total amount for both new and used cars for the five months was $20,671,778 against $29,392,586 for the corresponding period last year, a reduction of 29.7 per cent.

Real Builders of Business Are Hit in New Income Tax Rates

Editor, The Financial Post.

I think the average business man realizes that Premier Bennett is confronted with a very difficult problem in finding revenue with which to carry on the Government of the country; very few will envy him his job.

It is difficult, however, for anyone to follow his reasoning on the proposed changes in the Income Tax Act. I have studied some charts on the application of the new Act which show some reduction in income taxes on incomes up to about $29,500 a year and above $120,000 a year, but substantial increases on all incomes between these figures.

I cannot see why a man getting say $40,000 a year should have his tax increased to raise funds to enable the Government to reduce taxation on a man with an income of $150,000 or more a year.

The driving power of Canadian business is in the hands of men with incomes ranging from $25,000 to $100,000 a year. These men are either chief owners of small businesses, or are officers of big corporations. Many of them are putting every ounce of energy and initiative they have into their work. They frequently have their own particular financial worries, as they are only establishing themselves and a large portion of their earnings, if their business is growing, cannot be drawn out. Compare this with the position of the millionaire with a limitless personal spending account.

I am of the opinion that the Government will come in for a great deal of criticism on account of this obviously unfair scheme, which does not result in a raise in the country's revenue. They made a step in the right direction when they exempted a certain portion of the tax on Canadian dividends, but they made the whole thing very complicated, and in many cases gave a man a few dollars with one hand and took it away with the other, and in most cases, some more.

As I said in the opening paragraph of this letter, I believe the average Canadian business man will sympathize with Premier Bennett in his very difficult job. I also believe that Premier Bennett, if given an opportunity, will show that he is a very brainy man. I feel sure that he, in consultation with his advisors, will yet bring down an income tax law that will be much simpler in application than the one presently proposed and much more fair in its treatment of the business men of this country. I do not believe that Premier Bennett or his Government want the name of having made "a budget for the millionaire," in our country compared to the large number of men whose taxes are going to be increased by the present law.

Yours very truly,
"An OBSERVER."

Montreal,
July 3, 1931.

BOND TENDER

1.00 p.m., July 25, 1931, County of Lennox and Addington, two issues of $44,500.00 and $15,000.00, 5% serial, 10 years, dated July 1, 1931, for road construction. Further particulars from Wilfred S. Wilson, County Clerk, Napanee, Ontario.

BEER SALES OFF, BREW. CORPOR'N MEETS PROBLEMS

Savings Effected in Overhead and Running Costs

Following passing of preferred dividend of Brewing Corporation of Canada, the preferred shares are selling in unlisted markets at 6-8 and the common shares at about 75 cents. The shares have not yet been listed on any exchanges and it is deemed doubtful if the company will consider listing them until it has been able to produce an earnings statement showing substantial profits. As the current year is witnessing a considerable decline in beer sales in Ontario, where about 75 per cent of the company's business is concentrated, and as it has been necessary to carry on a broad-scale programme of reorganization and consolidation of the many units in the merger, profits are hardly to be expected to be large this year. This would suggest that listing of the two classes of stock is at least a year or more away.

Brewing Corporation is a merger of eight leading Ontario breweries and two Manitoba plants, together with one bottling plant in Montreal and a soft drink plant in Toronto.

Properties in Merger

Properties included in the company are British American Brewery at Windsor; Kuntz Brewery at Waterloo; Taylor & Bate Brewery at St. Catharines; Brading Brewery at Ottawa; five breweries at Toronto; Hamilton (2); St. Boniface and Brandon formerly controlled by Canadian Brewing Corporation; and the Carling Brewery at London.

In addition, a soft drink plant is operated at Toronto and another in Brandon.

Most of these plants were acquired by exchange of stock of Brewing Corporation of Canada for shares of the proprietary companies. During the early days of the consolidation some cash was used in the purchase of certain private companies and this cash was raised by the sale of preferred shares in the English market. Apart from this sale of stock the merger did no new financing.

Own Nearly 100 Per Cent Stock

The Financial Post learns that since the expiry of the dates fixed for the exchange of shares, a few small additional blocks of shares have been exchanged but these exchanges do not materially alter the percentage shown in the company's last annual report when it was revealed that the company owned 96 per cent of Brading Breweries stock; 98 per cent of British American; 96 per cent of Canadian (now nearer 97 per cent); 92 per cent of Carling's (now nearer 93 per cent); and 100 per cent of the shares of Kuntz and of Taylor and Bate.

Attention of the new management has been directed, to the end of reducing overhead and operating expenses, by consolidating operations. Concentration of executive forces in one office has meant a substantial saving. A centralized purchasing department has been able to buy raw materials such as hops, malt, etc., and bottles at prices that indicate savings equivalent to nearly about half the dividend requirements for preferred stock dividends.

Save on Transportation

A large saving has been made in transportation in two directions. First, the company's plants have been zoned for the return of empty bottles, which has curtailed the former high freight bills on this account. No attempt has been made to zone the plants for deliveries of beer as it is quite impracticable to make, for instance, a Carling product in the Brading plant, or vice versa.

Second, the company has organized a trucking subsidiary which handles a large part of the deliveries. Large savings have been made through more efficient operation and routing of these trucks. A smaller number of trucks is able to handle the same volume of business.

Most of the company's business is done in Ontario. Beer sales in Ontario have fallen far short of the expectations of the promotors of many of the brewing companies organized in the hey-day of enthusiasm over the new Ontario liquor Control Act. The result is that Ontario breweries are operating at about 30 per cent of capacity. Ontario with 33 breweries consumes about 11,000,000 gallons of beer annually, while Quebec with seven breweries consumes nearly 30,000,000 gallons of beer annually.

Such a situation is not conducive to good profits. In the brewing business the "break-even point" is rather high. That is to say, a brewery must make a large gross sale before it can make a cent of profit. But once the "break-even point" has been reached the percentage of profit on the remaining sales is very large. Economical operation has reduced the break-even point for Brewing Corporation but several of the plants are understood to be operating at below their break-even points.

Profits Sharply Lower

This year has seen a shrinkage in beer sales through government stores. While beer sales in 1930, according to the Liquor Control Board report, were down less than three per cent from 1929 it is understood that they will this year suffer a decline of about 10 per cent. This has sharply affected the profits of all the breweries. Under the circumstances the directors of Brewing Corporation could not see their way clear to continue preferred dividends, which might or might not be earned—depending on the volume of business during the coming weeks of summer weather, and which in any event would prevent the company from rapidly liquidating its bank loans and building up working capital. Last annual report showed bank loan of $456,000 and this has been increased by about $200,000, it is understood.

Company has recently been pushing the sales of the line of soft drinks made by the Kuntz subsidiary. The most popular of these is a stone ginger, while a lime rickey and a dry ginger ale are also on the market. In the Toronto area, the products are marketed through a subsidiary known as Kuntz Beverages, which succeeded a former private company known as Associated Beverages.

The Brewing Corporation merger probably saved some of the constituent companies from bankruptcy. Over-expansion of the brewing industry in Ontario, gross mismanagement of several companies, and the fact that beer-drinking has not come in the province to its pre-war popularity all provided serious problems. Given a return to more normal business conditions Brewing Corporation should, it is felt in financial circles, earn something substantial on common stock, but the comments of the president and general manager, E. P. Taylor, in the last annual report, are taken to mean that the directors feel that the old time prosperity of the brewing industry can not be restored without legislative changes, having the effect of simplifying and therefore widening the sale of beer in the province. In his annual statement, Mr. Taylor expressed the opinion that the public generally wanted a change in liquor laws that would encourage the drinking of beer in preference to liquors of higher alcoholic content.

REORGANIZATION OF CANADA POWER AND PAPER CORPORATION AND ITS SUBSIDIARIES

Extension of time for deposit to August 10, 1931

To the holders of securities and shares of—

Canada Power and Paper Corporation

The Anticosti Corporation

Belgo Canadian Paper Co. Limited

Laurentide Company Ltd.

Port Alfred Pulp and Paper Corporation

St. Maurice Valley Corp.

Wayagamack Pulp & Paper Company Limited

Please take notice that the Securities Protective Committee has this day exercised its power to extend the time for receiving deposits of securities and or shares under the plan and agreement dated as of June 2, 1931, relating to the above reorganization by extending such time to and including August 10, 1931.

Dated, Montreal, July 13, 1931.

GORDON W. SCOTT
Secretary

Production of Bicycles Off 21 Per Cent in 1930

Canada produced 26,826 bicycles, valued at $708,386 in 1930, compared with 33,482, value $960,447, during the previous year, according to a statement published by the Dominion Bureau of Statistics.

The figures of this industry include tricycles for children, bicycle parts and skates, and total production of all lines reached a value during 1930 of $1,962,947. This output was 21 per cent under the record established in the previous year at $2,470,383, and was 11 per cent less than the figure for 1928. Imports had a total value of $569,172 as against $724,000 in 1929, and exports, $9,798, as compared with $28,400.

Only 8 firms manufactured bicycles in Canada during the year, 6 being located in Ontario. These concerns employed an average of 495 persons to whom $595,641 was paid in salaries and wages.

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CALGARY — CANADA

Black & Armstrong
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Winnipeg, Manitoba

C. H. ENDERTON & CO.
Established 1890
Real Estate Investments, Mortgage Loans, Insurance, Rentals, Stocks and Bonds
Members Winnipeg Stock Exchange
222 Portage Avenue, WINNIPEG

Weber Bros. Agencies Limited
PROPERTY MANAGEMENT
REAL ESTATE—INSURANCE
FINANCIAL AGENTS
Edmonton Credit Building,
Edmonton, Alberta

Your Investments

Questions and problems on Canadian investments submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram.

Victoria Memorial Assn.

Will you kindly furnish me with a report on The Victoria Memorial Association Ltd., of Windsor, Ont.?

We regret that we have no definite information on the Victoria Memorial Association Ltd., of Windsor, Ont. We understand, however, that this is a cemetery sponsored by several professional and business men of Windsor, Ont. It is reported to us that the site has been well chosen and that a number of improvements have been made. It is also stated that the old cemetery in Windsor is becoming crowded.

We believe that lots in the Victoria Memorial Cemetery are being sold throughout Ontario, and that attention is being drawn to the possibility of a large increase in population in Windsor. For one desiring to purchase a lot for family purposes we would gather that the purchase would be satisfactory. As a speculation, however, based on the future growth of Windsor and an increase in demand for cemetery lots, we do not feel that purchase would be advisable.

Prudential Trust

Can you give me some information regarding Prudential Trust Co?

The Prudential Trust Company Limited of Montreal has been going through several years of reorganization following a period of unsatisfactory earnings and a protracted legal battle for control of the company. Gross revenue has shown considerable decline, the capital has been impaired and the profits have been very meagre. In 1928 the company had profits of $1,028, in 1929 profits of $4,203 before deducting costs incurred in settlement of litigation, and in 1930, $1,057 before deducting expenses in connection with reorganization of capital, etc. During the last year the paid-up capital was written down from $717,410 to $547,640. In addition last year a reserve of $22,000 was set up against a further revaluation of the company's assets. We do not know whether or not the assets of the company have been written down to a basis that would allow for all potential losses or not.

Total assets of the company were shown in the balance sheet at December 31, 1930, at $5,884,363, of which the largest item $5,427,879 represented investments under administration by the company in estate trusts, etc.

Liabilities were $5,481,284 in the estate trusts and agencies department, $487 in the guaranteed trust account and the remainder was largely capital stock.

Fraser Companies

What is your opinion of the situation surrounding the first mortgage bonds of Fraser Companies? I hold a small block of these together with a bond of the Restigouche Co.

Fraser Companies, as you probably know, has been experiencing financial difficulties for some time past. The management is working on a plan of reorganization, which should be announced fairly soon. Whether the first mortgage bonds will be affected remains to be seen. The company's total interest charges are too heavy for its present earning power and it is likely there will be some paring down of funded debt, to bring the capital structure in line with earning power. Our understanding is that operations have been on a better scale this year, but low prices in the pulp and paper and lumber markets do not make for satisfactory earnings. The situation surrounding the Restigouche Co. is somewhat similar. This concern has properties of considerable potential value, but to poor markets, earning power is restricted. Until there is a definite improvement in general pulp and paper conditions, Fraser Companies and its subsidiary, Restigouche Co., will scarcely be able to develop an earning power worthy of their assets.

International Paper

Has International Pulp & Paper Co. more than one class of preferred stock outstanding? Are dividends being paid and is the outlook for the company satisfactory?

International Paper and Power Co. has two classes of preferred stock outstanding entitled to dividends of 6 per cent and 7 per cent. Decision on dividends on both classes of stock was deferred recently. This move followed action taken by the directors to conserve the liquid resources of the company by deferring dividends on the class "A" stock in August, 1930 The outlook, however, is not discouraging. Despite the cut in newsprint prices, the newsprint properties of the company showed increased earnings during the first five months of this year, due to substantial reductions in production costs and overhead expenses. Further substantial savings in costs are assured as a result of which it is expected, in the absence of further adverse developments, earnings during and after the last quarter this year will again be sufficient to cover preferred dividend requirements.

Can. Terminal System

I am financially interested in Canadian Terminal System Ltd., having purchased 6 per cent mortgage sinking fund gold bonds.

Would you give your candid opinion of the refinancing methods as advanced by the bondholders protective committee and state, if in your opinion, you consider that the refinancing as proposed at the meeting held in Montreal on June 29 will, to any extent, lessen the original security, which was before the bondholders at the time of purchase of bonds?

It would appear that the reorganization scheme advanced by the bondholders' protective committee of the Canadian Terminal System Ltd. will not mean any material change in the financial direction of the corporation, and in that particular might be the subject of criticism on the part of bondholders who believe that the present situation is the result of mistakes in judgment on the part of those who have hitherto controlled the company's affairs. We do not know, of course, that there are any great number of bondholders who hold this view.

The real security behind these bonds was never, it is alleged in some quarters, very great in view of the fact that all of the subsidiary companies had securities outstanding which ranked ahead of the collateral trust bonds and debentures of the Canadian Terminal System. The proposed exchange weakens the new bonds to the extent that it will be necessary to release collateral to provide $150,000 of working capital, and also it is noted that it is proposed to segregate Collingwood Terminals, the Kingston programme and the rights of the company in the Owen Sound Elevator; all of these companies are to be operated by a new subsidiary to be incorporated. There will remain, apparently, the Canadian Terminal System equity in the Canadian Rail & Harbor Terminals, Toronto, Montreal Rail & Water Terminals, Montreal, Montreal Property Corp., and Ontario Bakeries, Ltd. All of these companies have securities outstanding with the public.

Only an intimate study of the position of the company and its subsidiaries by persons authorized and competent to make a thorough investigation would supply the information necessary to determine whether or not a better plan could be devised than that proposed by the bondholders' protective committee.

Famous Players

I have considered some bonds of Famous Players Canadian Corp. Do you think the outlook for this company is satisfactory?

While it is believed that earnings of Famous Players Canadian Corp. have fallen off during the current year, no interim figures have been released which would indicate the company's present position. Famous Players has developed into the largest factor in the motion picture industry in Canada, profits have shown wide gains in recent years and bond interest was earned over 6 times in the last fiscal year. Considering the established position of the industry served, it seems reasonable to assume that Famous Players will make headway in the future. One factor of present interest is the adverse report on Famous Players as a "combine."

Gypsum Lime

Would you oblige me by giving me an opinion on Gypsum, Lime & Alabastine, Canada? I am a subscriber to The Financial Post and hold some of the Gypsum bonds.

Gypsum, Lime and Alabastine, Canada, is making aggressive efforts to maintain earnings; profits for the first five months of 1931 were only slightly less than those of the previous year. Competition in the gypsum industry is growing keen, while operations of the company are necessarily dependent, to a large extent, on constructional activity. Gypsum, Lime, however, has widened its scope of activities in the past few years and should do better when building improves.

Foundation Co.

In seeking an investment in a low priced stock, I have considered the shares of Foundation Co. of Canada. I would be obliged if you would give me your opinion on this company.

Foundation Co. of Canada has done well in the past few years and has widened its scope of activity by adding substantially to equipment in its various divisions. In the last fiscal year, the dividend was earned more than twice over and some good contracts were brought forward into the current year. Outlook for constructional activity is still below normal, the company, however, is in a sound position to take care of business offerings.

Imperial Tobacco

I have considered buying some shares of Imperial Tobacco Co. of Canada. Have you any information as to progress this year, and can the dividend and bonus be considered secure?

Consumption of cigarettes in Canada is showing an increase this year and the inference that sales of Imperial Tobacco Co. of Canada have increased to date is reasonable. The company has absorbed the additional cost of the four per cent sales tax but this should be offset by its elimination of all premiums for merchandise. Tobacco companies in the United States and Canada have been among the few to show increased earnings in the past year; Imperial Tobacco recorded a material gain in 1930. Though it is impossible to forecast what action the management will take regarding the bonus, progress in the past and the indication that cigarette consumption will continue to grow are favorable factors in viewing the company's future.

Page-Hersey

What is your opinion of Page Hersey Tubes as a medium for a moderate investment? Is the company benefitting from expansion in the West?

A large part of the recent production of Page-Hersey Tubes has been sold in Western Canada for oil-drilling operations and there is no immediate prospect of a sustained demand from this field. On the other hand, the company is now benefitting from expansion in natural gas service in Ontario and the West. The company's business this year is falling below last year's, but the dividend is being earned and the company's prospects generally are regarded as favorable. Its management is good and its working capital position strong.

Winnipeg Electric

Among my holdings are some preferred shares of Winnipeg Electric Co. Would you be good enough to give me the book value of the stock and its earning position last year? Will the dividend continue to be paid?

The book value of the preferred stock of Winnipeg Electric Co. at the end of 1930, when the last balance sheet was published, was $394,09 a share. Earnings in 1930 were equal to $11.46 a share on the preferred. Earnings during the current year, however, have shown a decrease and current quotations on the stock, around 54, indicate there is some doubt as to the company's ability to maintain dividends. The tramway utility continues to be a drag on earnings and the company has made strenuous efforts to obtain some rate revisions. A decision from the utility board is expected shortly and a favorable finding should benefit the company since it is also seeking the abolition of paving charges and five per cent gross earning tax. Approval of the Winnipeg city council, will have to be obtained in this regard following the board's decision.

Hydro-Electric Bond

I hold some bonds of Hydro-Electric Bond and Share Corp. Has this company made progress? I have considered disposing of these securities but am willing to wait if you think the market will improve.

We are not in a position to give an informative opinion on the situation surrounding Hydro-Electric Bond and Share Corp. The company, formed in 1927, has never published a financial statement or given details of what is included in its investment portfolio. Much depends upon your client's own position, as to whether he should sell now. It seems reasonable to assume that market conditions a year hence may show some improvement, a situation which should find some reflection in the securities of Hydro-Electric Bond and Share Corp.

International Nickel

Kindly forward your opinion on the following stocks which are held by me, advising if same should be returned or a switch made to some other issue. International Nickel, 59 shares; British American Oil, 100 shares; I appreciate your valuable articles from time to time more especially during the period of depression.

International Nickel of Canada is the dominant factor in the nickel industry, producing something like 90 per cent of the world's supply of that valuable metal. It also is becoming a big factor in the copper market. The company should be able to grow in earning power as prosperity increases and commodity prices rise.

British American Oil Co. is the second largest company in the oil business in Canada. The record of this company from the investor's point of view has been satisfactory over the long-term although the stock has been subject to somewhat violent fluctuations in the market.

Maple Leaf Milling

I would like an opinion as to the outlook from an investment viewpoint of Maple Leaf Milling 5½ per cent bonds.

Sufficient progress has been made by the new interest in control of the management of Maple Leaf Milling Co. to raise high hopes of ultimate success for the enterprise. The company occupies a strong position in the milling field, its organization is active and aggressive and its plant up-to-date. Former weaknesses in management seems to have been rectified. At present prices the bonds give a yield of about 6 per cent which compensates somewhat for whatever risk that may still remain.

Wood Products

I hold a bond of Wood Products Co. Do you consider that principal payment of this security which matures in 1940, will be met?

It is difficult now to say whether or not Wood Products Company will be able to meet its principal payments in 1940. The operation of this company is an important part of the activities of Standard Chemical and should Standard Chemical be able to improve its position considerably between now and 1940 it is unlikely to permit these bonds to go into default, which would mean that it would lose the plant. The original investment of the company in Wood Products was $60,000 over and above the guarantee of the bond interest. Chemical has had so many ups and downs that the future prosperity is not assured but the chances favor you if you hold bonds until 1940.

Power Corporation

Do you consider the stock of Power Corp. of Canada a sound addition to a fairly well diversified list of securities? Did earnings last year decline to any extent?

Earnings of Power Corp. of Canada in the year ended June 30, are understood to compare favorably with those of the previous year, though the company's investment portfolio has likely shrinkage due to stock market conditions. The companies controlled by Power Corp. are, for the most part, making progress, and may be expected to expand with the territories they serve. Due, however, to its substantial investment portfolio, Power Corp. is vulnerable to conditions over which it has no control, namely, the stock market. It is well to remember this factor when considering the stock from an investment angle.

Mining Enquiries

Mining questions and problems submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write general investment and insurance enquiries on sheets separate from mining enquiries. No answers can be given by telephone or telegram.

St. Anthony; Pioneer

Some months ago I noticed a report that St. Anthony Gold Mines had arranged financing. At that time the shares were selling at about 18 cents and are now well below this figure. I hold 1,500 shares of Pioneer Mining Corp. and have been wondering whether it might be a good move to switch into St. Anthony providing that financing had not fallen through. I would like to have your comment on this change.

St. Anthony Gold Mines arranged financing in New York some time ago, but to date no funds have been coming forward from this source. It is apparent that new financial arrangements will have to be made before work at the property can be resumed. The company has plans for installing a hydro-electric plant to furnish power for the operations, but as stated previously, at the present time operations are held up owing to lack of funds.

Scotia Manitoba

We shall be obliged if you will favor us with your opinion as to the future prospects of the Scotia Manitoba Mines.

Scotia Manitoba Mines Ltd., held 51 claims in the Cold Lake area of Northern Manitoba, 18 of which adjoin the Sherritt-Gordon Mines on the east.

There has been no activity by the company for some time, and since its shares are not listed they would be difficult to dispose of. Recent mail sent to the registered head office, 403 Ottawa Electric Bldg., at Ottawa, was returned by the postal authorities.

It will be seen from the above that there is very little on which to base hopes for the future.

Sovereign Porcupine

Please give us any information obtainable on Sovereign Porcupine Mines, Toronto. We would like to get a balance sheet and earnings report if possible.

Soverign Porcupine Mines was incorporated under an Ontario charter in 1911. The head office of the company is 1307 Concourse Building, Toronto. The company owns three patented claims in Tisdale Township, Porcupine district, Ontario. Assessment work only has been done on the property. Operations were suspended five or six years ago, following exhaustion of the company's funds. There is no balance sheet or earnings report available since, as stated above, the company is without funds. The present board of directors consists of Dr. H. Glendenning, pres., W. G. Hodgson, secretary, G. D. Willson, G. Kansas, and J. Warwick.

Boischatel

I recently forwarded certificates for 1,500 shares of Boischatel Mines, Ltd., stock to Alliance Mining & Securities Ltd., for transfer for their stock and have received 30 shares. Have I received the correct number of shares of Alliance Mining stock?

If you are able to advise me regarding this, I will appreciate it.

Boischatel Mines stock is transferable into that of Alliance Mining & Securities on the basis of 30 Boischatel to one Alliance. The shares, therefore, transferred to you are correct.

The future of Alliance Mining & Securities offers but little encouragement for the shareholder, but it is the intention to conserve its limited cash by investment in preferred securities and utilizing the revenue for the exploration of its properties.

Sudbury Northern

An agent has been trying to interest me in Sudbury Northern Mines Ltd. I believe this is a good prospect under development. Shares are being offered at around 9 cents. Is there any information available regarding this proposition?

Sudbury Northern Mines was inactive throughout 1930, and we have not learned of any work being done so far this year. It owns a copper, nickel prospect, consisting of about 25 claims in the Sudbury district, also 13 claims of the Canadian National Railway about 6 miles from Tashota, Ontario, and 12 claims in Montbray township, Quebec. All of the company's properties are undeveloped and their potentialities remain to be proven.

As reported approximately $70,000 have been spent on the various properties, but until a great deal more work is done the mine making possibilities are unknown.

The financial position of the company at the present time would not permit of any conclusive development programme.

Undervalued

Despite depression, savings deposits in Canada have increased over $50,000,000 since last summer.

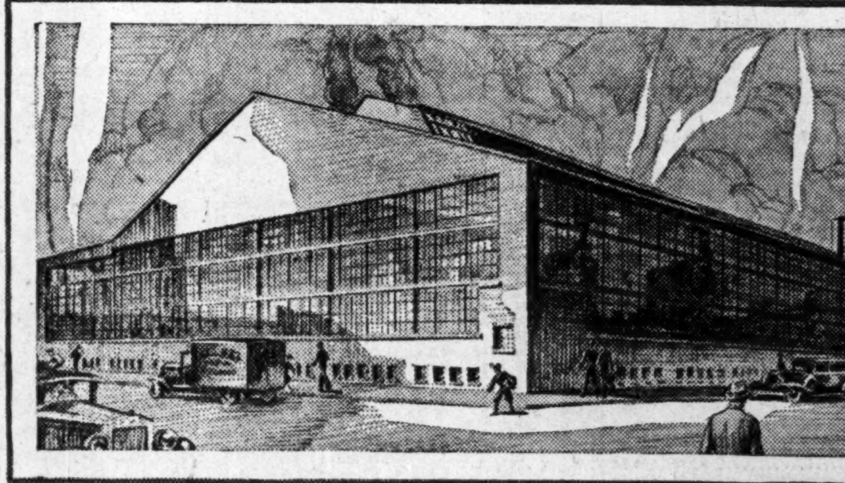
Reviving confidence will presently set in motion this great reserve of latent buying power, seeking larger yields than are offered by government bonds.

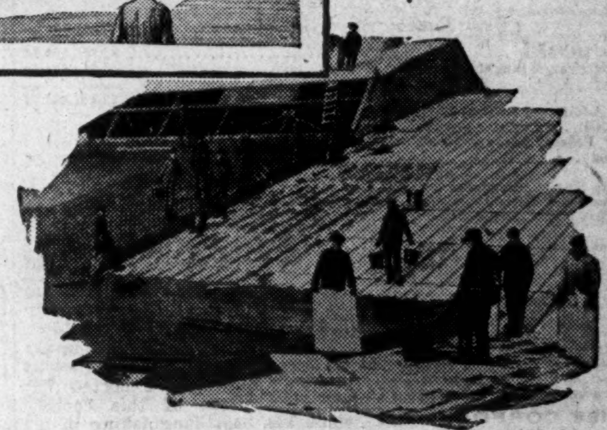
As competitive buying should presently eliminate many of the bargains now available in sound corporation securities, we have prepared a list of such securities which we consider undervalued by the market.

Ask for List 11

Greenshields & Co
Investment Bankers
Members Montreal Stock Exchange
505 Place d'Armes, Montreal
Ottawa Toronto Quebec

131





At Left:
New Crane Foundry, Montreal. Built by United Engineers & Constructors Limited, Montreal and Toronto. Roofers—Geo. W. Reed & Co. Limited, Montreal.
Below:
Applying Celotex Roof Insulation Board and Murray 20-Year Built-up Asphalt Roofing over the Crane Foundry.

The new
CRANE
Foundry
is protected by a
MURRAY Bonded Roof

The Crane Foundry is typical of the many exacting roof problems Murray Roofing Engineers are solving continually.

Why not consult Murray on *your* particular roofing requirements?

Whatever the type of building . . . or the type of roof that's needed (Coal Tar, Pitch and Gravel, or asphalt) there is a Murray Bonded Roof exactly suited to the construction.

MURRAY MADE
BONDED ROOFS
A Surety Bond definitely guarantees trouble-free and expense-free service over a period of 10, 15 or 20 years, according to the specification selected. Only authorized Roofers are permitted to apply Murray-Made Bonded Roofs, the entire construction being under the direct supervision of Murray engineers.

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LIMITED
(DOMINION TAR & CHEMICAL COMPANY LIMITED)
MONTREAL - TORONTO - HALIFAX - SAINT JOHN - WINNIPEG - VANCOUVER
BUR 6

Return of the Chartered Banks of the Dominion of Canada May 30, 1931

LIABILITIES

NAME OF BANK	Notes in Circulation	Balance Due to Dominion Government	Advances under Finance Act	Balances Due to Provincial Governments	Demand Deposits in Canada	Savings Deposits in Canada	Deposits Elsewhere	Bal. due to other banks in Canada	Due to Banks in U.K.	Due to Banks Elsewhere	Bills Payable	Letters of Credit outstanding	Other Liabilities	Dividends Declared and unpaid	Reserve Fund	Capital Paid Up	Total Liabilities	Capital Authorized	Capital Subscribed	% Last Dividend	Loans to Directors	Average gold and Coin Held	Average Dominion Notes Held	Greatest amount of notes in Circ
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	%	$	$	$	$
Montreal	35,851,548	19,889,934	....	5,048,613	146,542,799	397,591,619	71,361,223	4,454,433	950,614	11,742,043	211,681	8,679,580	2,116,271	1,089,041	38,000,000	36,000,000	779,529,405	50,000,000	36,000,000	12	3,587,940	29,984,590	45,908,476	37,525,608
Nova Scotia	13,392,118	1,047,911	....	1,314,365	32,625,069	130,649,492	31,852,611	1,893,044	106,280	2,774,015	341,820	4,966,928	142,753	5,154	24,000,000	12,000,000	257,111,566	15,000,000	12,000,000	16	2,201,080	9,790,162	5,552,359	13,927,164
Toronto	6,818,119	408,695	....	959,107	26,898,090	66,544,687	....	471,980	355,045	2,727,373	....	1,274,980	140,299	181,013	9,000,000	6,000,000	121,779,393	10,000,000	6,000,000	12	1,842,348	410,730	7,382,100	6,958,884
Provinciale	3,843,487	113,804	500,000	84,515	5,303,374	36,199,364	....	2,917	....	81,685	....	40,017	36,646	94,528	1,500,000	4,000,000	51,800,342	5,000,000	4,000,000	9	371,023	251,116	411,729	4,055,667
Commerce	25,775,078	3,166,658	....	3,202,566	125,135,441	297,052,601	42,516,040	1,345,275	1,136,531	17,560,032	308,046	18,720,901	....	906,237	30,000,000	30,000,000	596,825,410	50,000,000	30,000,000	12	7,892,759	8,931,000	12,798,000	26,835,408
Royal	32,488,285	5,064,256	10,000,000	5,877,519	160,068,331	297,569,545	187,595,189	1,264,708	892,846	33,892,176	3,101,758	38,062,211	69,951	1,062,148	35,000,000	35,000,000	847,008,927	50,000,000	35,000,000	12	3,541,440	14,400,837	16,010,048	33,455,563
Dominion	6,914,438	463,606	....	479,508	29,275,291	67,998,713	3,498,732	266,895	528,620	2,565,607	9,568	3,587,736	396,174	846	9,000,000	7,000,000	131,985,738	10,000,000	7,000,000	12	1,624,184	1,023,000	3,969,000	7,109,353
Nationale	9,734,874	631,992	....	890,402	25,035,924	89,422,565	1,297,528	1,231,840	64,275	447,226	....	352,707	....	177,199	7,000,000	7,000,000	143,286,537	10,000,000	7,000,000	10	995,578	1,082,025	4,799,565	10,255,879
Imperial	8,659,670	2,312,119	....	2,211,298	28,525,856	72,756,695	....	1,280,736	194,966	2,162,171	....	708,280	....	2,476	8,000,000	7,000,000	133,814,272	10,000,000	7,000,000	12	246,737	1,009,329	2,682,896	8,758,113
Barclays (Canada)	272,075	328,908	....	....	624,826	625,782	....	55,469	626,919	1,486,293	....	56,479	14,666	....	500,000	500,000	5,091,420	500,000	500,000	..	....	11,867	149,753	272,075
Total	143,749,692	33,427,883	10,500,000	20,067,893	580,035,001	1,456,411,063	338,121,323	12,267,297	4,856,096	75,438,621	3,972,873	76,449,819	2,916,760	3,518,642	162,000,000	144,500,000	3,068,233,010	210,500,000	144,500,000	..	22,303,089	66,894,656	99,663,926	149,153,714

ASSETS

NAME OF BANK	Current Gold and Subsidiary Coin	Dominion Notes	Notes of other banks	United States and other foreign currencies	Cheques on other banks	Balances due from other banks in Canada	Due from banks in U.K.	Due from banks elsewhere	Government securities	Canadian municipal British and foreign securities	Railway and other bonds and Stocks	Call loans in Canada	Call loans elsewhere	Other current loans in Canada	Other current loans elsewhere	Loans to provincial governments	Loans to municipalities	Non-current loans	Real estate other than premises	Mortgages on real estate	Bank Premises	Letters of Credit	Deposit for note circulation	In central gold reserves	Shares of and loans to controlled companies	Other assets	Total assets
	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$
Montreal*	30,880,618	48,356,697	3,579,601	779,355	27,453,376	1,682	939,586	17,855,832	147,705,906	57,280,831	9,194,804	13,933,376	28,872,182	267,029,149	37,926,522	8,473,915	42,808,569	2,589,645	386,354	1,317,817	14,500,000	8,679,580	1,642,836	7,000,000	1,722,477	120,420	781,031,142
Nova Scotia	9,645,188	5,452,508	1,173,248	1,316,018	7,920,486	....	188,249	7,319,400	33,816,640	13,980,312	12,251,886	30,553,432	4,770,826	84,284,817	13,933,975	3,690,848	8,374,938	220,716	62,955	85,469	8,121,425	4,966,928	534,095	3,000,000	2,649,094	103,422	258,416,887
Toronto	394,077	7,350,968	690,685	96,724	4,697,965	....	172,989	1,495,632	25,848,814	5,337,455	2,637,969	5,670,823	....	56,629,016	....	....	4,152,964	188,182	....	39,636	3,725,813	1,274,980	289,003	1,430,866	....	....	122,124,570
Provinciale	248,745	348,768	500,345	61,060	1,899,602	1,300,420	13,608	135,090	7,472,968	5,053,821	4,159,515	5,404,061	....	19,721,172	....	....	2,128,784	150,109	439,050	503,477	2,205,699	40,017	212,600	100,000	....	225,157	52,324,076
Commerce†	9,250,589	12,084,167	2,294,355	903,485	17,240,502	351	646,841	15,088,209	96,439,051	21,436,613	13,451,069	16,465,121	31,410,273	215,231,254	24,072,036	4,768,942	32,625,948	2,623,052	2,024,822	2,182,620	14,793,264	18,720,901	1,250,000	3,000,000	4,069,772	419,427	597,492,676
Royal‡	14,479,798	22,884,803	3,765,064	11,724,705	21,741,642	2,109	1,450,108	41,923,833	84,170,015	28,664,329	13,814,308	52,577,800	30,467,214	300,064,241	133,493,905	4,377,132	13,708,015	2,692,347	2,194,939	968,424	17,178,806	38,062,211	1,750,000	3,000,000	6,084,329	491,842	853,731,932
Dominion	1,016,775	3,376,342	955,670	152,708	5,075,935	....	136,552	1,697,901	17,886,574	4,481,930	3,342,578	13,037,286	2,125,487	64,801,178	1,811,009	....	2,080,874	191,737	51,236	15,620	6,071,391	3,587,736	345,000	600,000	....	195,727	133,037,256
Nationale§	1,069,080	5,074,020	807,275	142,124	3,608,742	1,235,982	34,631	927,129	21,283,961	9,264,846	2,666,893	9,934,709	....	66,097,143	66,545	941,170	8,879,906	175,477	851,043	731,430	5,694,132	352,707	361,330	3,500,000	....	101,908	143,802,193
Imperial	984,071	3,462,518	909,800	157,046	4,991,403	616,735	423,271	3,809,140	18,727,711	7,436,590	161,922	9,521,891	....	63,849,973	....	603,739	8,639,557	227,276	170,746	494,108	6,384,041	708,280	410,994	2,500,000	....	140,546	135,330,468
Barclays (Canada)	12,678	49,345	26,155	3,370	97,745	1,588,032	340,282	315,269	809,116	113,768	....	276,090	....	1,286,888	....	....	....	....	....	....	....	56,479	8,150	....	....	....	4,983,372
Total	67,981,619	108,440,136	14,702,198	17,336,595	94,727,398	4,745,311	4,346,117	90,567,435	454,160,756	153,050,495	61,680,044	187,374,589	97,645,982	1,138,994,831	211,303,992	22,855,746	123,399,555	9,068,541	6,181,145	6,338,601	78,674,571	76,449,819	6,804,008	29,130,866	14,525,672	1,798,449	3,082,274,572

Column No. 26. Of this deposit $13,630,866 is in gold coin; the balance is in Dominion notes.

*The business of the bank in Paris, France, and in San Francisco, U.S.A., is carried on under the name of local incorporated companies and the figures are incorporated in the above statement.—Footnote to Bank of Montreal return.

†In addition to the business of its Agency in San Francisco, the figures of The Canadian Bank of Commerce (California) are incorporated in the above statement.—Footnote to Canadian Bank of Commerce return.

‡The Royal Bank of Canada (France) has been incorporated under the laws of France to conduct the business of the bank in Paris, and the assets and liabilities of the Royal Bank of Canada (France) are included in the above general statement.—Footnote to Royal Bank return.

§The assets and liabilities of the Banque Canadienne Nationale, France, same being considered a branch operating as a subsidiary of the Banque Canadienne Nationale are included in above return.—Footnote to Banque Canadienne Nationale return.

Bongard & Company

Members:

Toronto Stock Exchange
Montreal Stock Exchange
Winnipeg Grain Exchange
Montreal Curb Market
New York Curb (Assoc.)
Chicago Board of Trade

80 King St. W., Toronto

*Elgin 5381

LONDON, ENG.
NEW YORK
MONTREAL

GUELPH
WINDSOR
KITCHENER

Loblaw Groceterias Co. Limited

BALANCE SHEET

(May 31st, 1931)

ASSETS

CURRENT ASSETS:			
Cash on hand and in banks			
Cash on Special Deposit	$ 397,918.21		
Municipal and Government Guaranteed Bonds, at cost	630,683.49		
Accrued Interest on Bonds and Special Deposits	293,447.91		
Sundry Accounts Receivable	11,510.16		
Merchandise Inventory	47,814.56		
Advances on Merchandise Purchased	1,776,564.04		
	10,482.72		
OTHER INVESTMENTS:		$3,168,421.09	
2,841 shares Preferred Stock, Loblaw Groceterias, Inc.	$ 260,000.00		
28,600 shares Common Stock, Loblaw Groceterias, Inc.	1.00		
Life Insurance	38,837.97		
DEFERRED CHARGES TO OPERATIONS		298,838.97	
CAPITAL ASSETS:		80,480.86	
Buildings			
Store Improvements	$1,649,699.35		
Furniture and Fixtures	402,941.96		
Autos and Trucks	968,905.70		
	221,619.32		
	$3,243,166.33		
LESS Depreciation Reserve	934,561.89		
	$2,308,604.44		
Real Estate	303,984.84		
		2,612,589.28	
		$6,160,330.20	

LIABILITIES

CURRENT LIABILITIES:			
Accounts Payable			
Provision for Federal Income Taxes	$ 689,501.04		
Dividend, Payable June 1st, 1931	145,925.73		
	170,168.20		
CAPITAL AND SURPLUS:		$1,005,594.97	
Class "A" Stock Issued—467,541 shares, no par value			
Class "B" Stock Issued—383,300 shares, no par value			
Surplus	$2,929,660.00 2,225,075.23		
		5,154,735.23	
		$6,160,330.20	

LOBLAW GROCETERIAS CO. LIMITED

SURPLUS ACCOUNT

(Year Ending May 31st, 1931)

Surplus, June 1st, 1930			
Net Profit for year, brought forward			$2,205,599.04
			1,206,634.70
Provision for Additional Federal Income Taxes, 1930 period			$3,412,233.74
Provision for Federal Income Taxes, 1931 period	$ 23,925.73		
Sundry Income Tax Adjustments	122,000.00		
Dividends, Class "A" Shares		$145,925.73	
Dividends, Class "B" Shares	374,032.80	559.98	
Goodwill Account, written off	306,640.00		
		680,672.80	
Surplus, May 31st, 1931		360,000.00	
			1,187,158.51
			$2,225,075.23

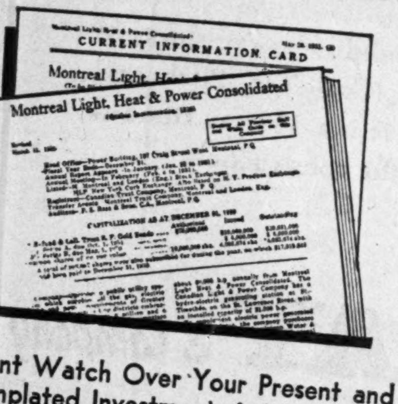
AUDITORS' CERTIFICATE

We certify that all our requirements, as auditors, have been complied with and that, in our opinion, the above Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs, according to the best of our information and the explanations given us, and as shown by the books of the Company, as of the date thereof.

June 26th, 1931.

Thorne, Mulholland, Howson and McPherson,
Chartered Accountants.

A Continuous Study of Investments Makes for Profit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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Stocks

WEEK ENDING JULY 13

Range 1931 High	Range 1931 Low	Divd. Rate in $	Yield in % July 11		Sales	Close July 6 (or last)	Week Ending July 13 High	Week Ending July 13 Low	Week Ending July 13 Close
13¾	3¼	.	...	Abitibi, c.	2050	5	4⅞	4¼	4½
50	14	.	...	Do. pref.	185	19	19	18¾	18¾
105	105	7	6.7	Do. pref.	....	105	..	..	..
8	7	.	...	Agnew Surp. c.	....	7½	..	..	..
88	84	7	8.3	Do. pref.	....	84	..	..	..
6½	2½	.	...	Alta. Pac. Gr.	5	3	3	3	3
30	15	.	...	Do. pref.	....	15	..	..	..
4	3	.	...	Amal. Electric	....	3½	..	..	..
18	10	.	...	Do. pref.	100	10½	11	11	11
3½	2½	25c	...	Anglo N. Hold.	....	3	..	..	..
.50	.25	.	...	Asbestos Corp.	..	.25	..	..	..
2	½	.	...	Do. pref.	....	¾	..	..	..
9	5	1	20	Assoc. Brew.	175	5¾	6	5	6
70	67	7	10	Do. pref.	....	70	..	..	..
10	4	.	...	Assoc. Can.	....	4	..	..	..
69	65	4+50	6.8	Assoc. Tele.	....	66	..	..	..
87	87	6	...	Do. pref.	....	87	..	..	..
37½	12¾	.	...	Atlan. Sugar	50	25	24	24	24
105	79¾	.	...	Do. pref.	....	92	..	..	..
175½	158¼	10	6.1	Bk. Can. Nat.	3	164	164	164	164
303	236½	12+2	5.2	Bk. Montreal	125	267	270	263	264
326	284	16	5.1	Bk. N. Scotia	41	310½	314	309	314
238	217	12+1	5.9	Bk. of Toronto	85	220	220	219	219
24	8½	.	...	Barcelona Tr.	10	8½	15	15	15
5½	4	.	...	Bathurst Pr.	132	4	4	4	4
4	2	.	...	Do. (B)	....	2	..	..	..
x26	26	.	...	Bawlf Grain	....	..	..	..	..
25	20	.	...	Do. pref.	....	..	..	..	..
12	6	.	...	Beath & Sons	70	6	6	6	6
20	12	2	15.3	Beatty Bros.	5	13	13	13	13
80	60	6	9.9	Do. pref.	....	60	..	..	..
8½	3	.	...	Beauharnois P.	2151	6	5½	5	5
93	85	7	8.2	Belding Cort.	....	85	..	..	..
100	100	7	7	Do. pref.	....	100	..	..	..
55	10	.	...	Belgo C.P. pf.	..	10	..	..	..
151⅞	127	8	5.7	Bell Telephone	422	140	140	138	139½
4½	3	.	...	Biltmore Hats	....	3	..	..	..
65	60	7	10.8	Do. pref.	....	65	..	..	..
x22	14	.	...	Bissell, T. E.	....	..	..	..	..
x97	88	.	...	Do. pref.	....	..	..	..	..
20	12	2	10	Blue Ribbon c.	59	19	20	20	20
39½	30	3.25	8.5	Do. pref.	20	36	39½	36	39½
22½	14	2	12.9	Brant. Cord. p.	....	15½	..	..	..
28½	12⅝	25c	...	Brazilian Tr.	43262	23	24½	19	20½
x2	⅞	.	...	Brew. & Distil.	....	..	..	..	..
16½	8	80c	7.1	Brit. Amer. Oil	2508	11½	11⅞	10½	10⅞
3½	½	.	...	B.C. Packers	125	1½	1½	1½	1½
22	5	.	...	Do. pref.	....	5⅛	..	..	..
42½	33	2	5.3	B.C. Power	737	38	37½	36½	36½
18	10	.	...	Do. (B)	250	12½	12½	12	12
3	1	.	...	B.E. Steel	....	1⅞	..	..	..
21	18¼	.	...	Do. 1st pref.	....	18½	..	..	..
3½	1⅞	.	...	Do. 2nd pref.	....	2⅞	..	..	..
8	4½	.	...	Bruck S. Mills	25	7½	6½	6½	6½
26	16⅞	2	9.5	Building Prod.	15	20⅞	21	20¼	21
44½	29½	3	8.6	Burt, F. N.	85	35	35	34	35
146	140	6	4.3	Calgary Pr.	....	140	..	..	..
7⅞	3⅛	50c	11.8	Canada Bread	....	4¼	..	..	..
100	87	7	7.9	Do. pref. (A)	....	88	..	..	..
80	55	7	11.5	Do. pref. (B)	58	55	61	61	61
14½	8¾	1	8.3	Canada Bud	1065	11½	12¼	11¾	12
18⅞	8¾	.	...	Can. Cement	1175	11¼	11½	10	10½
96½	86½	6.50	7.3	Do. pref.	220	90	90	89	89½
b45	29⅞	3	7.4	Canada Dry	8100	41⅛	43	38¼	39
12	10	1.50	15	Can. Forg. (A)	....	10	..	..	..
x16	5	.	...	Do. (B)	....	..	..	..	..
68	66	3	4.4	Canada Iron	....	66	..	..	..
76	60	6	10	Do. pref.	....	60	..	..	..
16½	10¾	1.50	11.5	Can. Malting	550	13	13¾	13	13
25½	15	80c	3.2	Can. Nor. Pr.	....	25	..	..	..
107	104	7	6.6	Do. pref.	3	107	105¼	105¼	105¼
6	1	.	...	Can. Paving	15	2	1	1	1
51	25	7	28	Do. pref.	....	25	..	..	..
216	200	12	6	Can. Perman.	47	208	203	200	200
4.50	.50	.	...	Can. Pr. & Pa.	1549	.60	.65	.50	.50
9	3½	.	...	Can. Steamsh's	....	3½	..	..	..
27	9	.	...	Do. pref.	147	14	14	13⅞	14
20	14½	1.60	8.5	Can. Vinegar	60	18½	18¾	18½	18½
70	54½	4	6.3	Can. W. Cable	....	63	..	..	..
30½	20	1.75	7.8	Do. (B)	192	22	23	21½	23
16	9¾	.	...	Can. Bakeries	....	9¾	..	..	..
35	35	4	11.4	Do. pref.	....	35	..	..	..
232	199	12+1	6.2	C. Bk. of Com.	294	212	212	209	210
36½	19	2.50	10.9	Can. Bronze	60	22	24	23	23
110	105	7	6.7	Do. pref.	....	105	..	..	..
13¾	8	50c	5.9	Can. Canners	....	8½	..	..	..
92¼	83	6	7	Do. 1st pref.	2	83	85	85	85
14	8½	80c	7.6	Do. 2nd pref.	1100	10⅛	10¼	10¼	10½
19	9½	1.75	15.5	Can. Car & F'y	1674	12	12⅞	11	11
25½	16¾	1.75	8.7	Do. pref.	635	21	21	19	19
14½	6⅛	.	...	Can. Celanese	10	7	10	10	10
73½	59	7	9.5	Do. pref.	70	68	73½	71	73
58	30	4	12.5	Can. Convert.	....	32	..	..	..
x50	45	.	...	Can. Cottons	....	..	..	..	..
55	51	6	11.8	Do. pref.	....	51	..	..	..
36½	23¾	3	12.5	Can. Dredge	65	29	29½	28¾	29
92	92	7	7.6	Do. pref.	....	92	..	..	..
81⅞	79	6	7.6	Can. Fairb. pf.	....	79	..	..	..
6	5¼	.	...	Can. For. Inv.	....	5¼	..	..	..
80	80	8	10	Do. pref.	....	80	..	..	..
300	200	4	1.9	Can. Gen. Elec.	....	210	..	..	..
63¾	59⅞	3.50	5.5	Do. pref.	45	63	63	62	62
80	52	6	8.2	Can. Hyd. E. p.	143	70	73	71½	73
5½	1½	.	...	Can. Ind. Alc.	305	3	3	2½	2½
3½	¾	.	...	Do. (B)	....	1	..	..	..
5.00	3.95	.	...	Can. Int. I. Tr.	....	3.95	..	..	..
70	67½	5	7.4	Do. pref.	....	67½	..	..	..
42	15	1	4	Can. Lt. & Pr.	25	29½	25	25	25
18	18	.	...	Can. Locomo.	....	18	..	..	..
25	10	.	...	Do. pref.	....	10	..	..	..
b4½	1⅛	.	...	Can. Marconi	3400	2⅜	3	2½	2½
23½	9	1	8.9	Can. Oil	10	11¾	11½	11½	11½
120	100	8	8	Do. pref.	....	100	..	..	..
45½	24¼	1.25	4.6	Can. Pacific	3478	27⅝	28	26	27
6½	5	.	...	C. Pr. & Pa. In.	....	5	..	..	..
6½	2⅞	.	...	Can. Vickers	75	3	3	3	3
35	16	.	...	Do. pref.	....	20	..	..	..
6	2½	50c	12.5	Can. Wineries	300	4½	4½	3¾	3¾
16	9	1	11.1	Can. Wire Box	....	9	..	..	..
8	¾	.	...	Carling Brew.	150	1½	⅝	⅝	⅝
12	12	.	...	Catelli Mac. A.	....	12	..	..	..
x10	9	.	...	Do. (B)	....	..	..	..	..
301	290	12+3	..	Cent. Can. Loan	....	300	..	..	..
5.35	1.50	.	...	Chem. Research	3860	1.90	2.40	1.80	2.15
64	57	2	...	City Dairy	....	60	..	..	..
x155	120	7	...	Do. pref.	....	..	..	..	..
20.25	10.00	30c(c)	..	Cities Service	10	12.00	10.75	10.75	10.75
10	4¾	.	...	Cockshutt Plow	715	6½	6¼	5	5½
9	3	.	...	Comm. Alcohol	25	3	3	3	3
9	4	.	...	Conduits	....	4	..	..	..
94	84	7	7.8	Do. pref.	....	90	..	..	..
12¾	7½	1	10	Cons. Bakeries	72	11	10½	9	10
3	½	.	...	Cons. Food Pr.	..	¾	..	..	..
6	3	.	...	Do. (A)	....	3	..	..	..
18⅜	10¼	80+20c	6.5	Cons. Indust.	580	15	15½	15	15½
31	25	2	8	Cons. Press	....	25	..	..	..
80	62	7	11.3	Cons. Sand, pf.	....	62	..	..	..
188¼	71½	2.50†	2.5	Cons. Smelters	2498	111	109½	97½	99
187	180¾	10	5.4	Consumers Gas	40	184½	184½	184	184½
x35	30	.	...	Cooksville Co.	....	..	..	..	..
x85	85	4	...	Do. pref.	....	..	..	..	..
20½	15	.	...	Corporate Steel	....	15	..	..	..
x90	90	.	...	Corr. P. Box, p	....	..	..	..	..
2.10	1.00	.	...	Cosgrave Brew.	1085	1.75	2.00	1.75	2.00
9	5	.	...	Cosmos Imp.	10	7	7	7	7
93	75	7	9.3	Do. pref.	....	75	..	..	..
6½	2	.	...	Crown Dom. Oil	20	4	4	4	4
15	8½	3	...	Crow's N. Coal	....	13	..	..	..
5	4	.	...	David & Fre. B	....	4	..	..	..
12½	12½	.	...	De Havilland	....	12½	..	..	..
x15	8	.	...	Disher Steel	....	..	..	..	..
x18	17	1.50	...	Do. pref.	....	..	..	..	..
12⅞	8	1	10.8	Distill-Seag.	755	9¾	9⅞	9	9
223	208	12+1	6.2	Dominion Bk.	64	209	209	209	209
55⅜	27¼	3	8.8	Dom. Bridge	1007	35	35½	32½	32½
40	40	.	...	Dom. Coal	....	40	..	..	..
50	15	.	...	Dom. Engineer	40	18	18	18	18
x14	10	.	...	Dom. Found.	....	..	..	..	..
126	90	7	7	Dom. Glass	76	105½	105	100	100
125	119	7	5.6	Do. pref.	....	125	..	..	..
20	20	.	...	Dom. Iron, pf.	....	20	..	..	..
14	10	.	...	Dom. Pr. Stubs.	....	13	..	..	..
24	24	.	...	Dom. Steel, pf.	....	24	..	..	..
8¼	2¾	.	...	Dom. St. & C.B.	555	3¾	3⅝	3½	3⅝
24¼	13¾	1.20	5.4	Dom. Stores	715	22	22½	21½	22
14	7	.	...	Dom. Tar & Ch	10	7	8	8	8
93	81½	6.50	7.9	Do. pref.	6	82	81¾	81¾	81¾
83	63	5	7.3	Dom. Textile	212	71½	71	68	68
123	120	7	5.8	Do. pref.	....	121	..	..	..
12	10	.	...	Donnacona	....	10	..	..	..
7	2½	.	...	Dryden Paper	5	3¾	3½	3½	3½
7½	3	.	...	Duff. Paving	....	6	..	..	..
80	68	7	10.3	Do. pref.	37	68¼	68¼	68	68
11¾	4	40c	8	Durant Motors	105	5½	5⅛	5	5
25½	16	1	4.5	East. Dairies	5	23	22	22	22
20	18	1+1	...	East. Steel	....	18	..	..	..
100	97	7	7.2	Do. pref.	....	97	..	..	..
16	16	.	...	East Koot. Pr.	....	16	..	..	..
97	94⅜	7	7.3	Do. pref.	....	96	..	..	..
x34	28½	2	...	East. Theatres	....	..	..	..	..
x85	80	7	...	Do. pref.	....	..	..	..	..
3¾	3½	.	...	Easy Washer	....	3¾	..	..	..
37	34¾	2.50	7.1	Economic Inv't	....	35	..	..	..
15	15	.	...	Edmonton D'y	....	15	..	..	..
80	80	6.50	8.1	Do. pref.	....	80	..	..	..
8	5	.	...	Enam. & Heat.	....	5	..	..	..
40	28½	3	10	Eng. Electric	30	30	30	30	30
16	10	.	...	Do. (B)	....	10	..	..	..
39½	16	2	9.1	Fam. Players	....	22	..	..	..
33½	18	2	11.1	Do. Vot. Tr.	....	18	..	..	..
18	9¾	1	8.5	Fanny Farmer	50	11¾	11¾	11½	11½
34	28	2.40	7.40	Do. pref.	....	32½	..	..	..
x.25	.10	.	...	Federal Distil.	....	..	..	..	..
x83½	75	.	...	Firstbrook Box	....	..	..	..	..
29¼	14½	1.20	6.9	Ford Motors A	1044	18¼	18½	16½	16¾
15	6	.	...	For. Pr. Secs.	6	12½	12	12	12
16½	8¼	1	8.3	Foundation Co.	....	12	..	..	..
3.00	.90	.	...	Fraser Cos.	300	1.00	1.75	1.25	1.75
25	25	.	...	Fron. Brew. pf.	....	25	..	..	..
8	5	.	...	Frost St. Wire	....	7	..	..	..
96½	85	7	8	Do. pref.	....	88	..	..	..
7¼	2¾	.	...	Gen. St. Wares	205	3¼	3½	3	3⅛
119	70	5+2.50	7.5	Goodyear Tire	122	100	101	99⅞	100
107⅞	94½	7	6.9	Do. pref.	28	100	101	100	101
93½	93½	7	7.5	Gould Pumps, p	....	93½	..	..	..
¾	½	.	...	Gt. W. Saddlery	....	½	..	..	..
8	6	.	...	Do. pref.	....	8	..	..	..
31	20	2	8	Gurd, Chas.	212	25½	25½	25	25
12⅞	7⅛	80c	9.4	Gypsum, Lime	515	9⅛	9	8⅝	8½
20½	7	.	...	Ham. Bridge	120	8⅝	8½	8	8
80	63	6.50	10.1	Do. pref.	10	64	65	64	64
19	13	2	15.4	Ham. Cotton, p	....	13	..	..	..
4½	3	.	...	Ham. U. Theat	....	3	..	..	..
63	55	7	...	Do. pref.	....	60	..	..	..
12	4	.	...	Hayes Wheel	15	8	7	7	7
x95	80	.	...	Do. pref.	....	..	..	..	..
x50	50	.	...	Hillcrest Coll.	....	..	..	..	..
x91	91	.	...	Do. pref.	....	..	..	..	..
4	3½	.	...	Hinde & Dauch	10	3½	3½	3½	3½
x120	120	.	...	Holt, Renfrew	....	..	..	..	..
x96½	90	7	...	Do. pref.	....	..	..	..	..
7	7	.	...	Honey Dew	....	7	..	..	..
59	50	7	13.2	Do. pref.	....	53	..	..	..
6	3	.	...	H. Smith Pap.	208	4	4	4	4
45½	30	.	...	Do. pref.	....	38	..	..	..
20	15	2	12.5	Humberstone S	....	16	..	..	..
23½	17	1.40+50	10.5	Hunt (A)	10	17	18	18	18
23½	19	1.40+50	8.1	Do. (B)	....	23½	..	..	..
150	146	8	5.5	Huron & E. M.	....	146	..	..	..
29½	28½	.	...	Do. 20% pd.	....	28½	..	..	..
29⅞	16¾	1.40	6.8	Hydro Electric	35	22	20½	20½	20½
225	201	12+1	6.2	Imperial Bk.	72	208	208	207	208
18⅜	9⅛	50+50c	7.9	Imperial Oil	8514	13	13¼	12	12
10½	9	35+20c	5.8	Imper. Tob.	1210	9¾	9⅞	9½	9⅞
29	22	2a	...	Int. Hy. El. A.	....	22	..	..	..
103	97½	7	7.1	Inter. Mill. pf.	20	97½	98	97½	98
x92	88	6	...	Do. Series A	....	..	..	..	..
20½	9½	60c	4.3	Inter. Nickel	42160	16	16¾	13½	14
10	5	.	...	Inter. Paints	....	5	..	..	..
b10¼	4	.	...	Int. P. & Pr A	....	6	..	..	..
b6	2½	.	...	Do. (B)	600	3	3⅛	3⅛	3⅛
b4½	1½	.	...	Do. (C)	1600	2⅞	2⅞	2⅛	2⅞
b43½	18½	.	...	Do. pref.	900	24¾	24⅞	23½	23½
15½	8¾	1	8.5	Inter. Petrol.	2585	12⅛	12⅛	11⅝	11½
8	5½	.	...	Inter. Power	5	5½	5½	5½	5½
73	60	7	9.8	Do. pref.	205	69	73	70	72
45	31	3.50	10.9	Inter. Util. A.	173	33	33	32	32
11	5¾	.	...	Do. (B)	1520	9	8¾	8	8⅝
40	40	1	2.5	Jam. Pub. Ser.	....	40	..	..	..
109	103	7	6.8	Do. pref.	....	103	..	..	..
5	2½	.	...	Kelvinator	....	4⅛	..	..	..
80	73¼	7	8.7	Do. pref.	....	80	..	..	..
x40	40	.	...	King Ed. Hotel	....	..	..	..	..
24	9	.	...	Lake of Woods	211	9⅞	10	9	9
101	85	7	8.2	Do. pref.	25	95	85	85	85
x190	180	8	...	Landed Bank.	....	..	..	..	..
46	33	3	8	Laura Secord	....	37½	..	..	..
16	9	1	8.3	Lindsay, C. W.	1	10	12	12	12
72½	65	6.50	9.7	Do. pref.	5	67	67	67	67
14¾	11	80c	6.7	Loblaw (A)	795	12¼	12¼	11⅞	12
14¾	10	80c	6.7	Do. (B)	325	11¾	12	11½	12
x2¾	2¾	.	...	Loew's, London	....	..	..	..	..
25	10	.	...	MacKin. Steel	....	20	..	..	..
95	92	7	7.6	Do. pref.	....	92	..	..	..
x36	20	.	...	Manitoba Pr.	....	..	..	..	..
8	6	.	...	Maple Leaf	....	6	..	..	..
40	20	.	...	Do. pref.	5	20	20	20	20
32	30	.	...	Marcus Loew's	....	30	..	..	..
71	70	7	10	Do. pref.	....	70	..	..	..
10½	3⅜	.	...	Massey-Harris	901	5	5	4¾	4¾
22½	9½	60c	4.8	McColl Fron.	736	13	13½	12¼	12½
80	69¾	6	7.6	Do. pref.	....	80	..	..	..
45	35	.	...	Mexican L & P	10	42	35	35	35
x25	25	.	...	Mercury Mills	....	..	..	..	..
x89	58½	.	...	Do. pref.	....	..	..	..	..
40½	40	1	2.5	Mitchell, J. S.	51	40	40	40	40
105	105	7	6.7	Do. pref.	....	105	..	..	..
20	13	1	7.7	Mitchell, Robt.	60	14	13	13	13
1	1	.	...	Monarch Knit.	....	1	..	..	..
38	38	.	...	Do. pref.	....	38	..	..	..
95½	83½	6	6.4	Montreal Cot.	....	93½	..	..	..
100	98	7	7	Do. pref.	2	100	100	100	100
3½	3	.	...	Montreal Exhib	25	3	3	3	3
20	15¼	.	...	Mont. Is. Pr.	5	16	16	16	16
68½	38⅛	1.50	3.3	Mont. L. & Pr.	10987	45¾	46½	44	44¾
49½	48	3+25	6.8	Montreal Loan	....	48	..	..	..
52	48	3.20	6.5	Montreal Tele.	....	48	..	..	..
177	150	10	6.4	Mont. Trams.	5	155	155	155	155
17¾	11½	1	8	Moore Corp. c.	125	12⅛	12½	12¼	12½
108½	98	7	7.1	Do. (A)	....	98½	..	..	..
126	103½	7	6.4	Do. (B)	15	112	110	110	110
x10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
x49	49	1	...	Do. pref.	....	..	..	..	..
3½	2	30c	15	Muirheads	....	2	..	..	..
10	6	75c	7.5	Do. pref.	....	9½	..	..	..
35¾	24	1.60	5.8	Nat. Breweries	1667	28¾	28⅛	27	27
34¾	27	1.75	5.5	Do. pref.	....	32	..	..	..
10	3	.	...	Nat. Brick	....	..	..	..	..
19	5	.	...	Do. pref.	....	5	..	..	..
.50	.25	.	...	Nat. Distiller.	....	.40	..	..	..
42	18½	2	10	Nat. Steel Car.	130	22	21	20	20
360	276½	14	5	National Trust	....	279	..	..	..
13	11	1.50	13.6	Niag. W. Weav	....	11	..	..	..
36	35	3	8.6	Do. pref.	....	35	..	..	..
x90	89¾	.	...	Nor. Mex. Pr.	....	..	..	..	..
70	70	7	10	Do. pref.	....	70	..	..	..
6.00	2.00	.	...	North Star Oil	....	3.50	..	..	..
4.95	4.50	35c	7.4	Do. pref.	....	4.70	..	..	..
x25	22¼	.	...	N.S. Steel, pf.	....	..	..	..	..
285	125	8	4	Ogilvie Flour	65	195	200	195	196
130	118¼	7	5.9	Do. pref.	....	118¼	..	..	..
21	15	6	3.7	Ont. Eq. 10% p	62	16	16¼	16	16
118	113	6	5.1	Ontario Loan	....	117	..	..	..
7	5	.	...	Ont. Silknit	....	7	..	..	..
16	13	80c	6.1	Ont. Steel	....	13	..	..	..
x105	105	7	...	Do. pref.	....	..	..	..	..
1¼	1	.	...	Orange Crush	....	1	..	..	..
60	50	7	12.7	Do. (A)	....	55	..	..	..
5½	4	.	...	Do. (B)	5	4	4	4	4
100	90	6	6	Ott. L H & Pr	28	99	100	100	100
104	102	6.50	6.3	Do. pref.	....	103	..	..	..
25	25	.	...	Ott. Traction	....	25	..	..	..
92⅞	68	5	6.2	Page Hersey	167	81¼	82	80	80
49	25	2.50	10	Paramount	....	25	..	..	..
35	34	.	...	Paton Mfg.	....	35	..	..	..
94	82	7	7.4	Do. pref.	30	82	94	94	94
½	¼	.	...	Pelissiers	....	⅜	..	..	..
25	25	.	...	Do. pref.	....	25	..	..	..
73	36	4	10	Penmans	10	42	40	40	40
101	95	6	6.2	Do. pref.	....	96	..	..	..
.75	.50	.	...	Perfec. Glass	....	.50	..	..	..
29	18	2	8	Photo Engrav.	115	23	25	23½	25
40	10	.	...	Port Alfred pf.	....	10	..	..	..
70	64	7	10	Porto Rico pf.	....	70	..	..	..
b39½	18	.	...	Postal Teleg.	....	..	..	..	..
63½	39¼	2	4.2	Power Corp.	754	48	48½	46¼	46¼
102	96	6	6.2	Do. pref.	5	97½	96½	96½	96½
4½	3	.	...	Prairie C. Oil.	....	3	..	..	..
16	8½	50c	5	Pressed Metals	....	10	..	..	..
42¾	29½	2	6.7	Price Bros.	10	30	30	30	30
99	83¾	6.50	7.7	Do. pref.	....	84	..	..	..
49	31¾	2.50	7.1	Quebec Power	340	36	35	34½	35
110	105	7	6.7	Real Estate In.	....	105	..	..	..
3	1	.	...	Regent Knit.	....	1	..	..	..
10	5½	.	...	Reliance Grain	....	7	..	..	..
16	9	2	16.3	River S. Mills.	....	12¼	..	..	..
19½	11	1.50	9.9	Robinson Cone	....	15⅛	..	..	..
16½	10	1.20	11.7	Rogers Majes.	120	10	11	10½	10⅜
291	235	12+2	5.6	Royal Bank	352	248	248½	247½	247½
84	83	7	8.3	Ruddy, E. L., p	....	84	..	..	..
77¾	68½	4	5.8	Russell Motor	5	69½	68½	68½	68½
95	84	7	8.3	Do. pref.	9	85	84	84	84
7	7	.	...	Sarnia Br. (A)	....	7	..	..	..
x12	5	.	...	Do. (B)	....	..	..	..	..
36¾	9½	1.60	12.3	Serv. Stn. Eq.	130	14	13½	12½	12½
90½	54	6	8.4	Do. pref.	5	66	71½	71½	71½
59½	34¾	2.50	5.9	Shawinigan	2621	42½	43½	40	40
30	21	1.60	6.4	Sher.-Wms.	112	25	25	25	25
121	117	7	5.8	Do. pref.	25	120	119½	119½	119½
22	14	2.50	13.8	Simon & Son	....	18	..	..	..
92	88¼	7	7.8	Do. pref.	....	90	..	..	..
92½	73	6.50	7.9	Simpsons Ltd.	100	80¼	83	80	80
44½	40	2	5	Do. (A)	....	40	..	..	..
35½	24½	.	...	Do. (B)	....	29	..	..	..
108	103	6	5.6	Simpson, Robt.	....	107	..	..	..
4	1	.	...	St. Law. Corp.	195	1	1½	1⅛	1½
12	2½	.	...	Do. (A)	....	3½	..	..	..
20	16	.	...	St. Law. Flour	....	16	..	..	..
85	82	7	8.2	Do. pref.	....	85	..	..	..
30½	10	.	...	St. Law. Pap. p	50	11	11⅛	11	11⅛
30	4	.	...	St. Maur. V. p	....	4	..	..	..
32	22¾	1	3.3	So. Can. Pr.	40	31	31	30	30
106¼	104½	6	5.7	Do. pref.	29	104½	105	104½	105
16⅛	7	2	25	St. Pav. & Mat.	91	7½	8	7½	8
80	66½	7	10	Do. pref.	10	70	70	70	70
1	1	.	...	Stanfords	....	1	..	..	..
15	7	1	14.2	Stand. Chem.	60	7	7	7	7
9⅞	3¾	.	...	Stand. Steel	....	5½	..	..	..
35	32	3	9.4	Do. pref.	....	32	..	..	..
42¼	24¾	1.75	5.5	Steel of Can.	848	30	30⅛	28¾	29
37	29	1.75	5.5	Do. pref.	150	31½	32	31⅛	32
4½	2⅛	.	...	Sterling Coal	....	2⅛	..	..	..
32½	12¾	1	5.9	Sup. Pet. Ord.	50	19	17	17	17
105	94	7	7.2	Do. pref.	50	94	97	95	95
31	14	1	5.9	Do. com.	....	17	..	..	..
49	41	.	...	Tamblyn	....	47	..	..	..
104½	101	7	6.7	Do. pref.	9	104	104	104	104
30	20	3.50	14.6	Thayers, pref.	....	24	..	..	..
16	6½	.	...	Tip Top Tailors	25	8	7⅝	7⅝	7⅝
90	77	7	8.7	Do. pref.	....	80	..	..	..
22	10	.	...	Tooke Bros.	....	10	..	..	..
67	50	7	14	Do. pref.	....	50	..	..	..
15	9½	.	...	Tor. Elevators	150	11	11	11	11
235	210	12	5.6	Tor. Gen. Tr.	....	215	..	..	..
115	108	6	5.4	Toronto Mtge.	1	109	110	110	110
3	1¼	.	...	Traymore	....	1½	..	..	..
12½	10¼	1.40	13.3	Do. pref.	120	11	10½	10½	10½
128	120	7	5.5	Tuckett Tob. p	....	127½	..	..	..
17¼	7	.	...	Twin City	....	8	..	..	..
b62	35⅛	7	...	Do. pref.	....	..	..	..	..
16	9⅝	1	9.1	Union N. Gas	200	10½	11	10½	10½
101½	98	7+1	8	Union Trust	....	100	..	..	..
8	3	.	...	United Fuel	....	3	..	..	..
65	39	4	10	Do. pref.	....	40	..	..	..
55	49⅝	2	4	United Secs.	....	50	..	..	..
24¼	8½	.	...	Viau Biscuit	....	16	..	..	..
85	75	7	8.6	Do. pref.	....	81¾	..	..	..
30	20	.	...	Wabasso Cot.	....	20	..	..	..
8⅝	4¼	50c	9.1	Walker-Good.	2925	5¾	5⅞	5¼	5¼
7¾	2	.	...	Waterloo Mfg.	....	3½	..	..	..
45	30	1	2.5	Weston Bisc.	....	40	..	..	..
90	80	7	8.7	Do. pref.	....	80	..	..	..
17½	7	.	...	West. Can. Fl.	....	8	..	..	..
96	80	6.50	7.6	Do. pref.	10	80	85	85	85
17	10	.	...	West. Grocers	....	10	..	..	..
55	45	7	15.5	Do. pref.	....	45	..	..	..
91	85	6.50	7.1	W. Steel Pr. p.	....	91	..	..	..
x9	9	.	...	Whittall Can	....	..	..	..	..
13	10	.	...	Windsor Hotel	....	12	..	..	..
73	71	6.50	9.1	Do. pref.	....	71	..	..	..
21½	10	.	...	Winnipeg Elec.	15	12	13¼	13	13
81½	58	7	12.9	Do. pref.	69	54	54	53	53½
‡30	30	.	...	Woods Mfg.	....	..	..	..	..
40	36	.	...	Do. pref.	....	36	..	..	..
80	80	7	8.7	Wood, A. J., p	....	80	..	..	..
x2½	1½	.	...	Zimmerknit	....	..	..	..	..
7	7	.	...	Do. pref.	....	7	..	..	..

x Quotations for 1930. No sales recorded in 1931 to date.
a Or payable in stock.
b New York Quotations.
‡ Quotations for 1929.
c 2½c monthly plus stock dividend of .005% monthly.
† Plus stock bonus.

Unlisted Canadian Securities

(Furnished by A. J. Pattison Jr. & Co. Limited

July 14, 1931

Industrial Stocks	Bid	Ask.
Acadia Sugar c.	.28	.48
Acadia Sugar pf.	1.75	2.85
Allens Coll. pfd.	32.50	....
Allens Lond'n pf.	32.50	....
Andian Nat. Corp.	21.50	24.50
Brand. Hend. c.	10.00	20.00
Brand. Hend. pfd.	79.00	89.00
Brew. Corp. of Can. c.	....	.75
Brew. Corp. of Can., pfd.	6.00	8.00
B.C. Pulp & Pap. com.	2.00	....
B.C. Pulp & Pap. 7% pfd.	....	50.00
Canada Biscuit pf.	....	9.00
Can. Crush. Stone pfd.	....	74.00
Can. Dom. Sugar com.	14.50	16.50
Can. Mach. c.	5.15	8.00
Can. Mach. 7% pfd.	22.00	31.00
Can. Packers c.	15.50	....
Can. Pack. 7% pf.	91.50	....
Can. Starch pfd.	70.00	....
Can. Wire & Cable pfd. w.w.	95.00	101.00
Can. Indust. c. "A"	114.00	135.00
Can. Indust. c. "B"	109.00	129.00
Can. Indust. 7% pfd.	121.00	128.00
Can. Investors c.	7.00	11.00
Can. Westinghouse	54.00	62.00
Chase, A. W. 8% pfd.	38.00	45.00
Copeland Flour 6% pfd.	....	15.00
Dom. Foundries & Steel pfd.	48.00	57.00
Dom. Foundries & Steel c.	5.50	8.50
Dom. Mfrs. pfd.	71.00	....
Dunlop Tire 7% pfd.	94.00	100.00
Eastern Car 6% pfd.	47.00	59.00
Eastern Dairies 7% pfd.	94.00	100.00
Edmonton Stk. Yds. pfd. bonus	....	75.00
Goderich Elev. & Transit	13.75	15.00
Greening Wire 7% pfd.	92.00	96.50
Guard. Realty pf.	50.00	....
Harding Carp. pf.	....	69.00
Inter-City Bak. c.	46.00	54.00
Internat. Proprie. "A"	....	32.00
Loew's London c.	....	1.50
Loew's London 7% pfd.	2.00	3.25
Maritime Tel. & Tel. c.	15.00	17.00
Maritime Tel. & Tel. pfd.	13.50	16.00
Morrow Screw Nut 7% pfd.	94.00	....
Mt. Royal Hotel Scrip	1.40	2.50
Mt. Royal Htl. c.	2.00	5.00
Mt. Royal Hotel 6% pfd.	20.00	27.00
Nat. Grocers c.	.90	1.50
Nat. Grocers 2nd 7% pfd.	42.50	....
Para. Oshawa c.	11.00	....
Para. Oshawa pf.	32.50	....
Prov. Paper pfd.	....	80.00
Standard Clay Products c.	26.50	....
Standard Fuel pfd. bonus	72.00	80.00
Supertest Petrol'm "B" pfd.	16.00	....
Toronto Brick pf.	68.00	....
Toronto Carp. c.	113.00	....
Toronto Carpet 8% pfd.	97.50	104.00
Toronto Elev. 7% pfd.	....	90.00
Toronto Hous'g c.	26.00	34.00
Un. Amuse. "A"	20.00	27.00
Willards Choc. 8% pfd.	....	50.00
Willards Choc. c.	....	4.50

Insurance Stocks:	Bid	Ask.
Br. Amer. Assce.	42.50	....
Canada Life Ass.	645.00	700.00
Can. Fire Insur.	79.00	89.00
Capital Life 20% pd.	....	22.00
Commercial Life 10% pd.	....	23.00
Confed. Life 20% pd.	255.00	300.00
Continental Life 20% pd.	70.00	....
Crown Life	....	260.00
Dominion Fire	110.00	130.00
Dom. of Can. General Ins.	216.00	240.00
Dom. Life 50% pd.	290.00	345.00
Excelsior Life 30% pd.	102.50	127.50
Fed. Fire 25% pd.	31.50	....
Fidelity Ins. of Canada	....	100.00
Great West Life	475.00	520.00
Guarantee Co. of N. A.	247.50	....
Halifax Fire	16.50	20.00
Imperial Life	400.00	450.00
Mfrs. Life	330.00	365.00
Monarch Life 10% pd.	30.00	34.50
Nat. Life 25% pd.	132.50	....
Saskatchewan Life 10% pd.	11.00	20.00
Sovereign Life 25% pd.	28.50	34.00
Sun Life Assur.	1,150	1,300
Western Assur. c.	43.00	50.00
Western Life 20% pd.	9.75	....
Trust, Loan & Bank Stocks:		
Br. Mtg. & Trust	170.00	....
Can. Gen. Invest. Trust 1st	26.00	30.00
2nd Can. Gen. Investments	6.50	8.50
Chartered Trust	102.00	112.00
Commer. Fin. pf.	46.00	58.00
Commerc. Fin. c.	4.00	....
Deb. & Sec. c.	....	74.00
Deb. & Sec. pfd.	60.00	70.00
Guelph & Ont. Inv. par $50	60.00	67.00
Lambton Loan & Savings	76.00	....
London & Western Trust	....	175.00
Midland Loan & Savings	17.50	24.50
Mtge. Disc. pfd.	3.75	4.75
Mutual Fin. pfd.	....	6.50
Provincial Bank	121.00	....
ec. Loan & Sav.	112.50	....
Sherbrooke Trust	113.00	....
Sterling Trust	86.00	....
Traders Fin. c.	....	15.00
Traders Fin. pfd.	....	80.00
Trusts & Guar.	81.00	88.00
Waterloo Trust & Savings	129.00	....
Power Issues:		
B.C. Elec. Pwr. & Gas pfd.	103.00	106.00
Can. Light & Pwr. com.	23.00	32.00
Can. Northern Pwr. pfd.	105.00	....
Can. West. Nat. Gas LH&P c.	51.00	....
Can. West. Nat. Gas LH&P pfd.	83.00	90.00
East Kootenay Pwr. pfd.	....	100.00
Gt. Lakes Pwr. pf.	91.00	96.00
N.B. Pwr. 1st pf.	61.00	....
N.S. L. & P. pfd.	92.00	97.00
Ottawa LH&P 6½% pfd.	101.00	105.00
Pwr. Corp. 6% pf.	96.00	100.00
Recent London Quotations:		
Brewer Distillers	8s. 9d.	
Can. & For. Sec.	7s. 6d.	
Can. West. Lumber	1s. 6d.	
Hudson's Bay	27s. 6d.	
Do., 5% pfd.	70s.	
Internat. Holdings	3	
Nfld. Pr. & Pap. deb. stk.	99	
Trust & Loan of an. (15s. pd.)	6s. 3d.	

Active Current Bond Prices

	Bid	Asked	Yield
Dominion of Canada 5½/33	104.50	105.	3.37
Dominion of Canada 5½/34	104.50	105.	3.95
Dominion of Canada 5/43	106.25	106.75	4.28
Dominion of Canada 4½/46	101.75	102.25	4.28
Dominion of Canada 4½/56	101.75	102.25	4.35
Dominion of Canada 4½/58	104.25	104.75	4.20
C. N. R. 5 /54 (D. of Canada)	105.50	106.50	4.55
C. N. R. 4¾/55 (D. of Canada)	102.75	103.75	4.50
C. N. R. 4½/56 (D. of Canada)	100.75	101.75	4.40
C. N. R. 5 /69 (D. of Canada)	106.50	107.50	4.45
Province of Ontario 4½/44	100.	101.	[illegible]
Province of Ontario 5 /48	105.	106.	[illegible]
Province of Ontario 4¾/70 (Hydro)	103.	104.	[illegible]
Province of Quebec 4½/56	101.	102.	[illegible]
Abitibi Power & Paper 5/53	55.	59.	[illegible]
Argentine Gov't. 6/58 Ser. B	89.	91.	[illegible]
Beauharnois Power 6/59	65.	75.	[illegible]
Bell Telephone Co. of Canada 1st, 5/57	106.50	107.50	[illegible]
Brazil, U. S. Ext. S. F. 6½/57	61.	68.	[illegible]
British Columbia Power 5/60	95.75	97.	[illegible]
British Columbia Power 5½/60	101.75	103.	[illegible]
British Columbia Telephone 5/60	99.	100.50	[illegible]
Calgary Power 5/60	95.	97.	[illegible]
Canada Brewing 5/42	102.	105.	[illegible]
Canada Cement 1st Mtge. S. F. 5½/47	98.	101.	[illegible]
Canada Gypsum Lime & Alabastine 5½/48	83.	90.	[illegible]
Canada Northern Power 5/53	90.	93.	[illegible]
Canada Steamship Lines 1st & Gen. 6/41	45.	55.	[illegible]
C. P. R. Collateral Trust 5/54	103.	104.	[illegible]
C. P. R. Secured 4½/44 Notes	98.	100.	[illegible]
Chile Republic Ext. S. F. 6/60	58.	60.	[illegible]
Colombia Republic Ext. S. F. 6/61	70.	72.	[illegible]
Davies, Wm. 6/42	93.	97.	[illegible]
Dominion Canners 6/40	102.50	105.50	[illegible]
Dominion Square Corporation 6/48	78.	82.	[illegible]
Dominion Tar & Chemical 6/49	96.	100.	[illegible]
Dominion Textile 6/49	105.	107.	[illegible]
Duke Price Power 1st, 6/66	103.	105.	[illegible]
Eastern Dairies, Convertible 6/49	98.	101.	[illegible]
Eaton, T. Realty, 5/49	94.50	97.	[illegible]
Famous Players 6/48	93.	98.	[illegible]
Federal Grain 6/49	70.	80.	[illegible]
Foreign Power Securities Corp. 6/49	83.	90.	[illegible]
Fraser Companies 6/50	25.	35.	[illegible]
Gatineau Power, 1st Mtge. 5/56	90.25	92.50	[illegible]
Gatineau Power, S. F. Debs., 6/41	85.	90.	[illegible]
General Steel Wares 6/52	60.	65.	[illegible]
Howard Smith Paper Mills 5½/53	60.	65.	[illegible]
Harris Abattoir 6/47	98.	101.	[illegible]
Manitoba Power, 1st, S. F. 5½/51	85.	92.	[illegible]
Maple Leaf Milling 5½/49	88.	93.	[illegible]
Massey-Harris, 1st Mtge. 5/47	60.	65.	[illegible]
MacLaren Quebec Power 5½/61	93.	94.	[illegible]
Montreal Coke, 1st S. F. 5½/47	102.	103.	[illegible]
Montreal Island Power 5½/57	99.50	102.	[illegible]
Montreal Light, Heat & Power 5/51	104.50	106.	[illegible]
Montreal Tramways 1st, Coll. Trust 5/41	101.	102.25	[illegible]
Montreal Tramways Gen. Ref. 4½/55	85	90.	[illegible]
Montreal Tramways 5/55	93.75	96.	[illegible]
Moodie, J. R. 6/48	97.	100.	[illegible]
Ogilvie Flour Mills 6/32	100.50	102.	[illegible]
Ontario Power Service 5½/50	75.	80.	[illegible]
Ottawa Valley Power 5½/70	99.50	101.	[illegible]
Power Corporation of Canada 4½/59	83.	88.	[illegible]
Price Bros. 1st S. F. Ser. "A" 6/43	97.	99.	[illegible]
Quebec Power 1st. Mtge. Coll. S. F. 5/68	102.50	104.	[illegible]
Shawinigan Water & Power 4½/70	97.	98.50	[illegible]
Shawinigan Water & Power 5/70	104.	105.50	[illegible]
Simpsons 6/49	96.	100.	[illegible]
Southern Canada Power 1st, 5/55	103.	104.	[illegible]
United Securities Coll. Trust 6½/52	98.50	101.	[illegible]
West Kootenay Power 5/56	100.	101.50	[illegible]
Windsor Hotel 6½/43	102.50	104.50	[illegible]
Windsor Hotel 6/47	95.	100.	[illegible]
Winnipeg Electric 5/35	99.	101.	[illegible]
Winnipeg Electric 6/54	89.	94.	[illegible]

Listed Bond Quotations

Week Ending July 13

Montreal	Int. Rate	Due	Latest Yield	Ask	High	Low	Range High	Range Low
Abitibi, 1st mtge.	5	1953	9.97	...	...	...	78	49
Asbestos	5	1942	5.00	105	...	...	100	...
Asbestos, 1st mtge.	6	1941	...	16	...	...	20	15
Do., gen. mtge.	6	1956	...	14	...	...	x41	25
Can. Cons. Rub.	6	1946	...	...	...	...	x102⅞	102⅛
Can. Cottons	5	1940	6.88	90	88	...	91	88
Can. Forgings	6	1942	6.00	†100	...	...	100	...
Can. Locomotive	6	1951	...	†62	...	...	x96	...
Can. Pr. (La. Ser.)	5½	1958	...	†7	7	...	28½	5
Do. (Way Ser.)	5½	1958	...	7	7	...	28½	5
Can. S. S. deb.	5	1943	...	...	...	...	x98½	94
Cedars Rapids	5	1953	4.66	†105	105	104	105	101
Dom. Canners	6	1940	...	†103½	...	...	x103	...
Dom. Coal.	5	1940	5.23	†98⅞	98⅞	...	98⅞	98½
McNish	6	1948	...	†2.25	...	...	3.25	2.00
Mex. L. & Pr.	5	1940	10.05	...	...	...	73½	70½
Mont. L. H. & Pr.	4½	1932	...	†100⅜	...	...	x100	98⅜
Mont. Tr. 1st mtge.	5	1941	4.87	...	100⅞	...	101⅛	99½
Mont. Tr. "A"	5	1955	5.45	...	94⅜	93½	95½	91
Mont. Tr. G. & R. "B"	5	1955	5.51	...	...	...	95⅛	91⅞
Do. "C"	4½	1955	5.64	...	...	...	85	84
Do. "D"	5	1955	5.39	...	...	...	95½	91⅞
Northern Elec.	5	1939	4.76	†101½	101½	...	101⅜	...
N. S. Steel	5	1959	9.28	...	...	...	62⅞	58
Ogilvie Flour "A"	6	1932	5.85	†100¼	...	...	100⅞	100
Do. "B"	6	1932	...	†100¼	...	...	x108	101
Do. "C"	6	1932	5.82	†100½	...	...	103	100
Ont. Steel	6	1943	...	106¾	...	...	...	...
Porto R. Pr.	5	1936	6.79	...	...	...	93	92
Steel of Can.	6	1940	5.08	†106¾	...	...	107½	106¾
Wayagamack	6	1951	...	...	45	...	75	45
West. K. Pr.	6	1940	5.15	...	...	...	106	...
Winn. Elec.	5	1935	5.12	†99⅝	...	...	99½	98⅞
Toronto								
Canada Bread	6	1941	5.86	102	...	...	101	...
Steel of Can.	6	1940	5.12	...	...	...	106½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1931	...	100.50	100.10	.....	101.70	100.20
Do.	5	1937	3.58	107.12	.....	.....	108.15	104.00
Victory Loan	5½	1933	3.50	104.60	104.50	104.35	105.25	103.00
Do.	5½	1934	4.10	104.60	104.60	104.25	105.30	102.95
Do.	5½	1937	3.60	111.25	110.90	.....	112.40	107.05
Do., refund	4½	1940	4.24	102.00	.....	.....	102.30	99.55
Do., refund	5	1943	4.27	106.50	106.60	106.30	106.70	103.50
Do., refund	4½	1944	4.30	102.00	102.00	101.65	102.30	100.00
Do., refund	4½	1946	4.31	102.12	.....	.....	102.12	99.70
Do., renewal	5½	1932	3.77	102.75	102.50	102.40	103.35	101.60
Conversion Loan	4½	1956	4.38	102.00	102.15	101.80	102.05	101.45
Do.	4½	1957	4.39	102.75	.....	.....	102.45	102.40
Do.	4½	1958	4.38	104.35	104.25	104.05	104.60	104.30
Do.	4½	1959	4.40	104.35	104.20	104.15	104.75	104.30

xQuotations for 1930. None recorded in 1931 to date.
†Latest bid.

Foreign Exchange

	New York Funds High (Premium)	New York Funds Low (Premium)	Last Year High (Premium)	Last Year Low (Premium)
July 8	19-64	[illegible]	[illegible]	Par
July 9	9-32	17-64	1-64	Par
July 10	15-64	15-64	1-64	1-16
July 11	15-64	[illegible]	[illegible]	1-16
July 13	[illegible]	[illegible]	[illegible]	3-64
July 14	[illegible]	[illegible]	[illegible]	3-64

xDiscount.

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
July 8	[illegible]	[illegible]	[illegible]
July 9	[illegible]	[illegible]	[illegible]
July 10	[illegible]	[illegible]	[illegible]
July 11	[illegible]	[illegible]	[illegible]
July 13	[illegible]	[illegible]	[illegible]
July 14	[illegible]	[illegible]	[illegible]

FOREIGN EXCHANGE

Par		June 30	July 7	July 14
5.26	Italian	[illegible]	[illegible]	[illegible]
23.80	German	[illegible]	[illegible]	[illegible]
13.90	Belgian	[illegible]	[illegible]	[illegible]
49.80	Japanese	[illegible]	[illegible]	[illegible]

Dividends Declared

	Annual Rate	Div. Declared	Date	Record
Amer. Commonwealths Pr. 1st pref. Ser. "A"	$7	$1.75	Aug. 1	July 15
Do., 1st pref.	$6.50	$1.62	Aug. 1	July 15
Do., 1st pref.	$6	$1.50	Aug. 1	July 15
Do., 2nd pref. "A"	$7	$1.75	Aug. 1	July 15
Do., "A" & "B" com.	(c)	1/40 sh.	July 25	June 30
Borden Co.	$3	75c	Sept. 1	Aug. 15
Blue Ribbon	$2	50c+17c†	Aug. 1	July 15
Do. pref.	6½%	1⅝%	Aug. 1	July 15
Bank of Toronto	12+1%	3%	Sept. 1	Aug. 15
Brazilian Traction, ord.	..	25c	Sept. 1	July 31
B. C. Pulp & Paper, pfd.	$7	$1.75	Aug. 1	July 15
Beatty Bros. Class "A"	...	50c	Aug. 1	July 15
Beatty Bros. pref.	6%	1½%	Aug. 1	July 15
Belding-Corticelli, com.	7%	1¾%	Aug. 1	July 15
Brandram-Henderson com.	2%	½%	Aug. 1	July 2
Calgary Power, pref.	6%	1½%	Aug. 1	July 11
Can. Dredge	$3	75c	Aug. 1	July 16
Do., pref.	7%	1¾%	Aug. 1	July 16
Can. Bronze	$2.50	62½c	Aug. 1	July 16
Do., pref.	7%	1¾%	Aug. 1	July 20
Canadian Industries	$2.50	62½+*50c	July 31	June 30
Can. Wire & Cable "A"	...	$1	Sept. 15	Aug. 31
Do.	...	$1	Dec. 15	Nov. 30
Canadian Car, ord.	$1.75	48c	Aug. 31	Aug. 15
Can. Northern Power, com.	80c	20c	July 25	June 30
Can. Converters	4%	1%	Aug. 15	July 31
Cons. Industries	80c	20c	Aug. 1	July 15
Can. Pr. & Pap. Invest. pfd.	5%	1¼%	Aug. 15	July 20
Disher Steel "A" prfe.	$1.50	37½c	Aug. 1	July 15
Dominion Tar, pref.	6½%	1⅝%	Aug. 1	July 4
Dome Mines	$1	25c	July 20	June 30
Dominion Bridge	$3	75c	Aug. 15	July 31
Eastern Dairies	$1	25c	Aug. 1	June 30
Eastern Theatres, pref.	7%	1¾%	July 31	June 30
Ford Hotel, com.	...	50c	Aug. 1	......
Do.	...	50c	Oct. 31	......
For. Pr. Secs. pref.	6%	1½%	Aug. 15	July 31
Foundation Co.	$1	25c	Aug. 15	July 31
Frost Steel 1st pref.	7%	1¾%	Aug. 1	July 18
Do., Class "A" pfd.	7%	1¾%	Aug. 1	July 18
Granby Cons. Mining	...	25c	Aug. 1	......
Hamilton Bridge, pref.	6½%	1⅝%	Aug. 1	July 15
Humberstone Shoe	$2	50c	Aug. 1	July 15
Inter. Nickel, pref.	7%	1¾%	Aug. 1	July 2
Imperial Bank	12+1%	3%	Aug. 1	June 30
MacKinnon Steel pref.	7%	1¾%	Aug. 1	July 15
Montreal L. H. & Pr.	$1.50	38c	July 31	June 30
Northern Ont. Power pfd.	6%	1½%	July 25	June 30
Do., com.	$2	50c	July 25	June 30
Ontario Equitable	6%	3%	Aug. 1	July 15
Power Corp. com.	$2	50c	Aug. 20	July 31
Penmans	$4	$1	Aug. 15	Aug. 5
Do., pref.	6%	1½%	Aug. 1	July 21
Russell Motor	4%	1%	Aug. 1	July 15
Do., pref.	7%	1¾%	Aug. 1	July 18
Service Stations pref.	6%	1½%	Aug. 1	July 15
Do., Series "A" pref.	6%	1½%	Aug. 1	July 15
Southern Can. Pr. com.	$1	25c	Aug. 15	July 31
Steel of Canada	$1.75	43¾c	Aug. 1	July 7
Do., pref.	$1.75	43¾c	Aug. 1	July 7
Simpson's Ltd., pref.	6½%	1⅝%	Aug. 1	July 20
Do., Class "A"	$2	50c	Aug. 1	July 20
Teck Hughes	60c	15c	Aug. 1	July 17
Weston, Geo., pref.	7%	1¾%	Aug. 1	July 20
Western Steel Prod., 1st pref.	6½%	1⅝%	Aug. 1	July 15

*Bonus. †Adjusting. b—Payable in Class "A" com.

Active Provincial & Municipal Bonds

(By A. E. Ames & Co., Toronto)

Provinces	Rate	Actual Mat.	Next Int. Date	Price	Yield
Alberta	4½	1 Oct., 1958	1 Oct.	96	4.77
Alberta	5	1 July, 1943	1 Jan.	101½	4.83
Alberta	6	1 Apr., 1936	1 Oct.	104.40	4.90
British Columbia	4½	1 Oct., 1953	1 Oct.	100	4.50
British Columbia	5	15 Jan., 1948	15 July	104	4.65
British Columbia	6	15 Aug., 1941	15 Aug.	111	4.67
Manitoba	4	1 July, 1947	1 Jan.	92¼	4.70
Manitoba	5	2 June, 1959	2 Dec.	104⅝	4.70
Manitoba	5	15 June, 1943	15 Dec.	102¾	4.70
New Brunswick	4½	1 June, 1948	1 Dec.	101.19	4.40
New Brunswick	4¾	15 June, 1936	15 Dec.	101.33	4.45
New Brunswick	6	1 Jan., 1936	1 Jan.	106.05	4.50
Nova Scotia	4½	15 Nov., 1948	15 Nov.	101.21	4.40
Nova Scotia	5	1 May, 1943	1 Nov.	104.13	4.55
Nova Scotia	6	1 Nov., 1936	1 Nov.	107	4.55
Ontario	4½	1 Sept., 1944	1 Sept.	101½	4.35
Ontario	5	15 Oct., 1948	15 Oct.	106.64	4.45
Ontario	6	2 May, 1936	2 Nov.	106.88	4.45
P. E. I.	4	1 Apr., 1939	1 Oct.	96.35	4.55
P. E. I.	4½	1 Oct., 1944	1 Oct.	99.50	4.55
Quebec	4¼	1 May, 1961	1 Nov.	98⅝	4.35
Saskatchewan	4½	1 Oct., 1944	1 Oct.	96.08	4.90
Saskatchewan	5	1 Oct., 1950	1 Oct.	101⅞	4.85
Saskatchewan	6	1 Feb., 1936	1 Aug.	105.05	4.85
Cities					
Montreal	5	1 Sept., 1963	1 Sept.	108.50	4.50
Toronto	4½	1 Sept., 1954	1 Sept.	100.72	4.45
Vancouver	4	1 Aug., 1946	1 Aug.	92.88	4.65
Winnipeg	5	1 Mar., 1944	1 Sept.	101.92	4.80
Edmonton	5½	1 May, 1945	1 Oct.	105	5.00
Calgary	5	1 Jan., 1948	1 Jan.	100	5.00
Halifax	6	1 July, 1951	1 Jan.	105.19	4.60
St. John	5	15 Dec., 1960	15 Dec.	105.11	4.60
Regina	4½	1 July, 1950	1 Jan.	94.50	4.95
Victoria	5	21 July, 1945	21 July	102.54	4.75
Quebec	5	1 June 1948	1 Dec.	104.68	4.60

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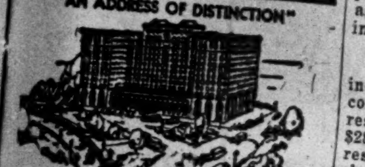

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New Power Plant For Vancouver Is. The British Columbia Electric Railway Company announced plans for the development of 157,000 h.p. by means of a huge scheme of 3 power plants and 4 dams, including the drilling of a tunnel, 1 mile long at Campbell River, Vancouver Island.

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NIAGARA WIRE CO. COVERS DIVIDENDS FOR PAST YEAR

Decline in Newsprint Operations Lowers Earnings

From Our Own Correspondent

MONTREAL.—Net profits of Niagara Wire Weaving Co. for the year ended March 31, 1931, amounted to $128,823. This sum, which includes income from securities and provision for all charges, including an additional appropriation for the stock purchase fund, compares with $172,845 in the previous year.

After payment of preferred dividends there remained $62,823 applicable to the common stock or the equivalent of $1.57 a share as against $2.19 a share in the previous year. E. J. Buell, president of the company, states that demand for the company's product had decreased owing to curtailed operations in the paper industry.

Comparison of Earnings

Following is a comparison of profit and loss accounts for the past two years ended March 31:

	1931 $	1930 $
Net profit	128,823	172,845
Less:		
Adj. of secs.	......	9,007
	128,823	163,838
Less:		
Pref. divds.	66,000	66,000
Com. divds.	60,000	40,000
Stock pur. fund	......	36,300
Surp. for year	2,823	21,538
Add prev. surp.	15,634*	
Bal. forward	18,457	

* After additional reserve for income tax.

Working Capital Higher

Working capital at $540,802 shows a slight improvement over $534,168 reported in the previous year. Current assets totalled $705,959 against current liabilities of $165,157. Cash on hand at $305,127 is nearly twice current liabilities.

Other assets include marketable securities, carried at a market value of $188,956, down from $191,312. Accounts receivable, less reserve, totalled $67,300 as compared with $84,098 and inventories are noticeably higher at $144,525 as compared with $87,369 in 1930. Advances, prepaid insurance, are unchanged while patents are still shown at $1. Fixed assets are carried at $487,310, an increase of $3,000.

Accounts Payable Gain

In liabilities, accounts payable and income tax reserves total $115,507 as compared with $57,777. A special reserve for containers is shown at $28,347, a decline of $4,000, while the reserve for retirement of preferred shares is unchanged at $36,300. Total surplus of $725,973 is down from $729,052.

Among the matters to be taken up for consideration at the annual meeting called for July 20 at Niagara Falls, is a by-law enacted by directors authorizing an application for supplementary letters patent amending present provisions with respect to the creation of a stock purchase fund for purchase and retirement of the preference shares of the company as follows:

(a)—By providing a half-yearly payment into the stock purchase fund of a sum sufficient to purchase 330 shares of preference stock of the company at a price of $55 per share. (b)—Empowering the company to purchase further preference stock in the open market at prices not to exceed $55 per share. (c)—Any surplus after retirement of the specified amount of preference stock (330 shares) may be used by the company for corporate purposes.

INVESTMENT CORP. PROFITS ARE DOWN

English Trust Reports a Higher Loss on Canadian Real Estate

Profit of £26,125 is reported for Investment Corp. of Canada for the year ended April 30, 1931, before charging debenture interest and loss on sales of real estate, but after management expense. This compares with £45,819 shown in the previous year. Interest on the 4½ per cent debenture stock amounted to £9,451 as in 1929 while dividend on the 4½ per cent preference stock remained the same at £13,500. Loss on real estate sales amounted to £20,153 as compared with £11,597 in 1929.

The remaining rural properties held by the company were sold during the year and the loss, less the contingency fund of £15,000, was charged against reserve. It is stated that there will still be a considerable loss to be provided for when the remaining properties held are to be realized.

Total assets of the company amount to £874,549 of which £79,782 is in real estate and holding in Canadian Land Corp., a subsidiary. Investments held at cost or under are carried at £792,190, although it is stated that the market value of securities at April 30 was £493,437. Cash and sundry debtors accounts total £2,576.

Capital outstanding consists of £500,000 of 4½ per cent preference stock and £226,294 of 4½ per cent debenture stock. Loans against securities amount to £105,064. Loans against securities are up to £105,164 as against £42,444 the preceding year. Sundry creditors have claims of $4,954. Reserve carried forward from 1929 amounted to £23,137 which has been reduced by £5,153 after deduction of loss on real estate and taking in of contingency fund. Profit realized in investments amounted to £2,819 compared with £16,177 the previous year leaving £20,803 carried forward in reserve fund. Balance in revenue account was $17,433.

Investment interest in the trust is chiefly held in England but investments are largely in Canada and the company was incorporated in Canada in 1908. Sir Herbert Holt, J. H. Gundy and T. R. Harrison constitute the Canadian committee on the board of directors.

Quebec Industries, 1929, Showed Gain of 8 p.c.

Gross value of products for the province of Quebec for 1929 showed an increase over 1928 of a little over 8 per cent, reaching the total of $1,160,612,992, while net value after deducting cost of materials, was up 9¾ per cent at $617,372,403, according to figures just issued by the Dominion Bureau of Statistics.

With 75 fewer establishments reporting, total capital investment for the 7,156 concerns was almost 90 million dollars larger than in the previous year, totalling $1,673,611,042. Salaries and wages paid to a total of 213,883 employees aggregated $234,014,580, an increase of 7.3 per cent over the amount paid by the larger number of establishments to 205,301 employees in 1928.

Pulp and paper again led all other industries with a production valued at $129,745,028. Railway rolling stock advanced to second place with products valued at $70,802,392, representing an increase above 1928 figures of over $14,000,000, displacing the cotton yarn and cloth industry, which dropped to third on the list with $59,147,128 at which a gain of 4½ per cent was registered.

Claude Neon Sign Business Gain Reported

Claude Neon General Advertising Ltd. has experienced increasing business in neon lighting displays during the current year although poster and painted advertising display business is stated to be smaller throughout Canada. The company has secured a number of large contracts for neon signs including both large individual displays and contracts involving a large number of smaller signs. It is expected that an exceptionally large contract will be signed by September. At the present rate officials of the company expect that 1930 earnings will be well exceeded in the current year.

The company produces neon signs which are leased for a period of three to five years, the company retaining ownership, and usually providing for all servicing and operating costs. It is stated that in the United States the percentage of renewal of contracts is over 70 per cent. In June the company did $125,000 of new business in Montreal alone.

The first commercial installation of low voltage neon lighting in Canada will be made in Montreal for the floodlighting of the new head office of the Royal Bank. The necessary equipment is being manufactured by the company at the present time and will provide for floodlighting the building with blue, green, red and white light in rotation. Use of neon lighting on low voltage is being extended through experiments conducted in the United States and officials of the company anticipate that this method may eventually revolutionize lighting both in the home and in large buildings.

TOOKE BROS. SALES DROP IN PAST YEAR

Preferred Yields 14 Per Cent at Current Levels

From Our Own Correspondent

MONTREAL—Tooke Bros. Ltd. concluded its last fiscal period on June 30, culminating a year of business, which it is understood, was on a scale lower than the preceding year. The company's business is Dominion-wide and it is not likely that final figures from all branches will be published before the end of August.

No figures on earnings have been released during the current year; to what extent profits have declined must await publication of the financial statement. In the year ended June 30, 1930, net earnings were $163,185, an increase of about $8,000 over those of the previous year.

Pays Preferred Dividend

Provision for interest, depreciation and taxes left $118,684 applicable to preferred dividends which total $68,950 each year. Earnings on the common were equal to $5.70 a share. The preferred at current levels of around 50 returns a yield of 14 per cent.

Tooke Bros. manufactures a wide line of men's wear such as shirts, collars, neckwear, etc. A financial reorganization was carried out in 1927 in which preferred shareholders received new common stock to liquidate some 35 per cent of arrears in dividends. No dividend has yet been paid on the common.

Newfoundland Imports from U. S.

Newfoundland's leading imports from the United States for the first four months of this year showed a decline of approximately 25 per cent to $429,386, U. S. funds. Bituminous coal was the only item of the eleven leading commodities imported to show a gain, 10,925 tons having entered as against 6,433 tons for the same period 1930.

BUSINESS FORESEEN FOR SARNIA BRIDGE

Plan for Sarnia-Port Huron Tunnel Now Under Consideration

From Our Own Correspondent

MONTREAL — Sarnia Bridge Co. stands to benefit if the proposed erection of a tunnel between Sarnia and Port Huron, Mich., materializes. The plan is presently being dealt with before a parliamentary committee in Ottawa.

Construction of such a tunnel might involve a substantial tonnage of structural steel; the company's location at Sarnia places it in a favorable position to handle any business which might be offering.

Earnings Show Variation

Fortunes of Sarnia Bridge Co. have fluctuated since inception of the present company in 1928. Earnings in 1929 were equal to $2.93 a share on the class "A" stock on which a dividend of $2 was paid while the class "B" stock earned $3.68 a share.

In 1930, however, operations resulted in a deficit. After payment of dividends the total loss for the year was $59,987 and a balance of $15,908 was brought forward into the current year.

Three dividends of 25 cents each were paid on the common, the last disbursement being made just a year ago. Payments on the class "A" stock were discontinued in April, 1931.

SENATE DEBATES CREDITS CORP. BILL

Doubt Expressed as to Wisdom of Small Insurance Co's Participating

That investment of insurance company funds in the shares of the Dominion Agricultural Credits Corporation might almost be considered a donation was the opinion expressed by Rt. Hon. George P. Graham, in the Senate last week when a third reading of an act legalizing the shares of this company as an investment for insurance and trust and loan companies was before that body.

The question of smaller insurance companies investing in shares of this type was actively discussed and it was pointed out that there was no obligation on the part of any company to subscribe, and that in all probability the subscription would be taken care of by the larger organizations among the banks and financial institutions.

Hon. H. W. Laird pointed out that although there was no official obligation that all companies would invest in it. This presented a definite problem for the directors of small companies who had to jealously guard their investments thought the Senator, who like Senator Graham is a director of one of the smaller life companies, according to his own statement.

Senator Gordon gave his opinion that any insurance or other company which could not afford to forego the revenue from the money invested, should not participate.

The motion was agreed to, read a third time and agreed to.

Safeguard Employees in Purchase of Stock

Legislation restricting employers soliciting and taking of money from employees for purchase of stock, or as a loan "secured" by junior or non-preferred stock, was enacted by an Ontario order-in-council recently.

Action was taken under the Security Frauds Prevention Act, and Col. George H. Drew, commissioner, pointed out that the new regulation was not intended to apply to the purchase of stock by employees of reputable organizations, where it is clearly understood that subscriptions are for the purchase of stock or where contributions are adequately protected by being placed in separate trust funds or by similar safeguards.

The regulation was the outcome, Col. Drew explained, of the discovery that some firms solicit funds from their employees when the company is in difficulties, and fail to make it clear that the money is for the purchase of stock, or represent the transaction in the light of deposits in a savings fund, the "savings" being used, as in some cases, for ordinary business operations, without safeguard or safeguarded only by securities which would be worthless were the company forced to the wall.

"Such saving plans have been tried," said Col. Drew, "and there is more danger of their being tried again in times such as these. We do not seek to prevent workers investing in the stock of their companies under properly protected deferred payment plans, or by other safeguarded methods, where it is made clear to the employees what they are subscribing to."

Air Mail Route Reported Between Boston-Halifax

An air-mail line may be established between Boston and Halifax, via Bangor, if negotiations at present on foot between Pan American Airways and the Boston & Maine Railroad go through, according to the Wall Street Journal.

American Airways, subsidiary of Aviation Corp. of Delaware, recently received the air-mail contract from the U. S. Post Office Department for the route from Boston to Bangor. If Pan American operates this route there is a possibility that it may later be extended to Halifax under a Canadian contract.

French Offer For B. C. Mine

An offer has been made of $2,800,000 by a French syndicate to Hercules Consolidated Mining Smelting & Power Co. of British Columbia for the development of mining ores in B. C.

Canadian Quotations—Cont'd

Winnipeg Grain Prices

Crop Year from Aug. 14 High	Low	Week to July 14	Open July 8	High for Week	Low for Week	Close July 14
		Wheat				
.77¾	.54	July	.60½	.60⅝	.54½	.55⅞
.76⅞	.56⅛	Oct.	.62⅞	.62⅝	.56¾	.58
.67½	.57¼	Dec.	.63⅜	.63⅞	.57¼	.59⅛
		Oats				
.33½	.26¾	July	.30½	.30⅜	.27⅛	.27½
.34¾	.27¾	Oct.	.31⅛	.32⅛	.28⅜	.29⅛
.33½	.29	Dec.	.32⅜	.32⅜	.29	.29⅜
		Barley				
.35	.23½	July	.32	.32⅜	.30⅜	.31⅜
.36⅝	.25½	Oct.	.33⅛	.34½	.32⅛	.32⅛
.37⅝	.33	Dec.	.35	.35⅜	.33	.33⅜
		Flax				
1.23	.95½	July	1.17½	1.21	1.14⅛	1.15¼
1.25	.95½	Oct.	1.19½	1.23	1.14	1.16¼
1.27	1.06½	Dec.	1.20½	1.24½	1.16⅜	1.18⅜
		Rye				
.41¼	.25⅛	July	.34¼	.34¾	.29½	.30¼
.40⅜	.31¼	Oct.	.36⅜	.37⅛	.31¼	.33¼
.42	.33	Dec.	.38½	.38⅛	.33	.35

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo
Week of July 14

High to date*	Low		Close July 7	High for week	Low for week	Close July 14
		Wheat				
.68⅞	.58⅛	July	.63	.63	.58⅞	.58⅞
.70½	.60⅞	Oct.	.65½	.65⅝	.60⅞	.61½
.70½	.63⅜	Dec.	.68	.68	.63⅛	.63⅜

*Since trading opened March 3, 1931.

Winnipeg Stock Exchange

July 6

	Bid	Ask
Beaver Fire	125	...
Beaver Lumber, c.	...	19
Do., pref.	...	100
Can. Amer. Tr. shs.	...	5.69
Can. Fire Ins.	...	85
Can. Indemnity	125	...
Crescent Creamery	89	...
Gt. West Life	...	510
Home Investment	50	...
Monarch Life	...	32
Nor. Can. Mtge. pf.	15	...
Nor. Can. Mtge. c.	¼	...
Traders Bldg.	...	87
Un. Gr. Growers	11	11½
West. Breweries	...	2½

Mining Stock Quotations

WEEK ENDING JULY 13

Par Val.	Range 1931 High	Low	Company	Sales	Close July 6 (or last)	High for Week	Low for Week	Close July 13
1	.23	.05½	Abans	4,150	.07	.07	.06	.06
1	.03	.01	Aconda		.01½			
1	.05½	.03½	Adrien		.04⅛			
No	.50	.12	Aldermac		.25			
1	.05	.00½	Algonquin	18,000	.00½	.00⅞	.00½	.00⅞
1	.02½	.01	Amity C.		.01			
No	.45	.12	Amulet	12,370	.21	.23	.19	.19
1	.02½	.01	Apex	110,300	.01½	.01½	.01½	.01½
1	.05	.01	Area	2,000	.02	.01½	.01½	.01½
1	.01	.00½	Argo. Cons.		.00½			
1	.08½	.01	Arno	38,600	.03	.03½	.03	.03
1	.01½	.01½	Astoria		.01½			
1	.02	.00⅞	Atlas	3,500	.00½	.00½	.00½	.00½
1	.07	.05½	Bagamac		.06½			
1	.02½	.01	Baldwin		.01½			
1	.19½	.08	Barry Holl	33,500	.10	.11	.09	.10
No	1.45	.75	Base Metals	350	1.10	1.15	1.05	1.05
No	.04	.00½	Bathurst	500	.01½	.02	.02	.02
5	1.75	.60	B'Wana		.75			
1	.28	.26	Ben Nevis		.27			
No	.09½	.03½	Bidgood	39,300	.04½	.05½	.04	.05
1	.50	.18	Big Missouri	10,100	.31	.31	.25	.25
1	.05½	.04½	Blue Quartz		.04½			
1	.12	.02	Bobjo	4,500	.03	.03½	.03	.03
No	.01	.00½	Boischatel	1,500	.00½	.00½	.00½	.00½
1	.08	.01½	Brett Trethewey	500	.02	.01½	.01½	.01½
1	.03	.03	Brit. Canadian		.03			
No	.12	.02½	Brownlee	143,100	.04½	.04½	.03	.03½
1	.02	.00½	Buckingham		.00½			
1	.08½	.02	Bunker Hill	4,700	.02½	.03	.02½	.02½
No	.03	.01	Cal. Flin Flon		.01			
1	.02	.01	Cambro Kirk		.01			
No	.05½	.02½	Canam Metals		.02½			
1	.06½	.01½	Can. Kirk	24,050	.02½	.02½	.02	.02
1	.02	.02	Can. Lorraine		.02			
1	.32½	.12	Canusa	500	.18	.17	.17	.17
1	.04½	.00½	Capital R.	20,500	.00⅞	.00⅞	.00½	.00½
1	.26½	.15	Castle Tre.	700	.17	.16	.16	.16
1	.23	.03	Cen. Manitoba	7,500	.10	.12	.10	.11
1	.17	.08	Can. Patricia	3,000	.10½	.10	.08	.08
1	.02	.01½	Champion R.		.02			
No	.59	.02	Chib. Pros.	1,500	.11	.11	.10	.10
No	.08	.02½	Clericy	3,000	.02½	.02½	.02½	.02½
5	10.50	2.50	Coast Copper	50	1.25	3.50	3.50	3.50
1	.05½	.01½	Cobalt Contact	10,000	.02	.02½	.02	.02
1	.02	.00½	Col. Kirkland		.01½			
1	.39	.05	Columario	13,608	.11	.10	.08	.08
5	.80	.50	Coniagas	200	.70	.80	.80	.80
5	.62	.30	Coniaurum		.31			
25	188.25	71.25	Cons. Smelters	2,498	111.00	109.50	97.50	99.00
1	.01	.00½	Corona		.01			
1	.02½	.00½	Crown Reserve		.01½			
	.29½	.26½	Crudome		.28½			
No	.17	.03	Dom. Explor.	42,500	.09½	.10½	.07	.07
1	.03	.00½	Dom. Kirk		.00⅞			
No	13.40	9.00	Dome Mines	8,598	11.50	12.25	11.25	11.50
No	.33	.30	Don. Woolsey		.30			
1	.01	.00½	Don. Rouyn	200	.01	.01	.01	.01
1	.01	.00½	Dunkin		.00½			
1	.02	.00½	Duprat		.01½			
1	1.28	.20	Eldorado	122,800	.99½	1.05	.83	.92
No	1.70	.75	Falconbridge	585	1.20	1.25	1.05	1.05
1	.08½	.02	Federal	7,600	.04	.04½	.04	.04½
No	.01½	.00½	Flintoba		.00½			
No	.30	.07	Gem Lake	3,900	.08	.08	.07	.07
No	.04½	.03	Gilbec		.04½			
1	.08	.02½	Goldale	500	.05	.03½	.03½	.03½
10	.25	.15	Goldfield		.18½			
1	.01½	.00½	Gold Hill	500	.00⅞	.00⅞	.00⅞	.00⅞
1	.11	.02½	Goodfish	1,500	.05	.04	.03½	.03½
1	.04	.00½	Graham		.01½			
No	2.30	1.25	Granada	2,150	1.30	1.40	1.25	1.35
1	.12	.06	Grozelle	124,375	.10½	.12	.11	.12
	.30	.28	Halliwell		.28			
1	.03	.01	Harker		.01½			
1	.08½	.07½	Hayden		.08			
1	.04½	.00½	Hilltop	11,000	.02	.02	.01½	.01½
5	8.70	6.00	Hollinger	3,615	6.55	6.75	6.50	6.50
1	.38	.20	Howey Gold	17,750	.28	.30	.27	.29
No	6.30	3.25	Hudson Bay	1,851	4.75	4.65	4.10	4.25
No	.40	.30	Huronian		.36			
No	20.50	9.50	Int. Nickel	42,160	16.00	16.75	13.50	14.00
1	.03	.00½	Jackson M.		.00½			
1	.34	.23	Keeley		.24			
1	.04½	.00½	Keora M.	1,500	.01⅞	.01½	.01½	.01½
1	.27½	.27½	Kirk. Hud. Bay		.27½			
1	.03	.01	Kirk. Hunton		.01			
1	.93	.54	Kirk. Lake	5,175	.63	.64	.61	.63
1	.08	.01	Kirk. Prem.	8,000	.03	.03½	.02½	.02½
1	.13½	.05½	Kirk. Town.	12,500	.10	.11	.09½	.10½
20c	.02½	.00½	Koot. Florence	6,500	.00⅞	.01	.01	.01
1	.02	.00⅞	La Rose		.01½			
	.69	.38	Lakeland	8,800	.47½	.47½	.40	.49
1	28.50	23.50	Lake Shore	2,050	26.25	27.65	26.60	27.00
1	.02	.01	Laval		.01			
1	.02	.01½	Lebel Oro		.02			
No	.35	.35	Locarno		.35			
1	.55	.10	Macassa	13,600	.32	.37	.30	.37
1	.12	.02	Malartic	5,800	.04	.05	.04	.04
No	.15	.06	Mandy		.09			
No	.06	.02	Man. Basin	6,250	.04	.03½	.03½	.03½
1	.55	.20	McKinley	287	.50	.35	.20	.35
5	26.50	20.00	McIntyre	2,387	22.00	22.00	21.00	21.75
No	.33	.08	McLeod River	73,800	.12½	.14	.12	.12½
1	.04	.04	McVittie		.04			
1	.29	.07	MacMillan		.07			
1	.01½	.00½	Millcrest		.01			
5	2.84	1.46	Mining Corp.	6,050	2.00	2.05	1.75	1.75
1	.10½	.01	Moffatt Hall	37,420	.08½	.08½	.07	.07½
1	.04	.02	Moneta	500	.03½	.03	.03	.03
1	.00½	.00½	Mtl. Rouyn		.00½			
1	.63	.20	Moss	119,800	.34½	.39	.34½	.38½
1	.09	.01	Murphy	3,500	.02½	.03	.02½	.02½
1	.07½	.02	Newbec	5,000	.04	.04	.03½	.03½
1	.40	.25	Nevada		.25			
1	.09	.02	Night Hawk	500	.03½	.04	.04	.04
5	1.90	.80	Nipissing	4,975	1.29	1.30	1.07	1.25
No	29.65	14.00	Noranda	36,905	19.75	20.50	18.00	18.55
1	.50	.25	Nor. Canada	2,000	.30	.30	.30	.30
No	.03	.00½	Old Colony		.00⅞			
1	.01	.00½	Ophir		.00½			
1	.10½	.04	Oriole		.04			
1	.21	.07	Osisko	300	.10	.10	.10	.10
1	.25	.23	Parkhill		.23			
1	.15	.14	Patricia Dent		.14½			
1	.04	.01½	Pawnee Kirk		.03			
No	1.61	.60	Pend. Ore.	100	.80	.75	.75	.75
1	.04½	.01	Pete. Cobalt	3,000	.02	.02	.02	.02
	.50	.50	Phy. Molybd.		.50			
1	.01½	.00½	Picard		.00½			
1	.12	.07	Pioneer		.09			
1	.02½	.00½	Porc. Crown		.00½			
1	.02	.00½	Potter Doal	3,000	.00½	.00½	.00½	.00½
1	.45	.36	Powell Ryn.		.36			
1	.99	.65	Prem. Gold	2,350	.70	.70	.68	.68
1	.02½	.00½	Preston E. Dome	5,000	.01	.00½	.00½	.00½
1	.25	.13	Quemont	100	.13	.16½	.16½	.16½
1	.03½	.00½	Ribago	33,650	.03	.03½	.03	.03½
1	.34	.24	Rich. Rock		.33			
1	.15	.02½	Ritchie	7,000	.03	.02½	.02½	.02½
1	.04	.00½	R. Montbray		.01½			
1	.05	.04	Rubec		.04			
No	.25	.10	San Antonio	4,500	.16	.16	.16	.16
1	.21	.16	Seven Troughs	40	.16	.16	.16	.16
1	1.25	.49	Sherritt G.	19,783	.70	.73	.60	.61
1	.55	.36	Siscoe	19,875	.46	.49	.45	.48
1	.18	.02	So. Keora	6,000	.06	.06½	.05	.06
No	.05	.01½	Stadacona	6,050	.02	.02	.01½	.01½
1	.30	.03½	St. Anthony	2,500	.12	.09	.08	.08
No	.82	.38	Sud. Basin	2,250	.45	.51	.41	.43
1	.03	.01	Sud. Contact		.02			
1	.03½	.00½	Sudbury M.	5,000	.00⅞	.00⅞	.00⅞	.00⅞
No	.04½	.01	Sudbury N.		.08			

Par Val.	Range 1931 High	Low	Company	Sales	Close July 6 (or last)	High for Week	Low for Week	Close July 13
1	.18	.09	Sullivan	500	.09	.09	.09	.09
1	1.14	.48	Sylvanite	15,900	.70	.70	.66	.66
1	.20½	.04	Tashota	4,600	.10½	.11	.10½	.10½
1	8.65	6.15	Teck Hughes	5,973	6.65	6.90	6.50	6.75
1	.10½	.01½	Telluride		.01½			
1	.01½	.01½	Temiskaming		.01½			
1	.06½	.02½	Thom. Cad'c.		.03			
1	.02½	.00½	Tough Oakes		.01			
1	.63	.17	Towagmac		.30	.35	.30	.35
No	2.65	1.00	Treadwell		1.25			
No	2.85	2.40	Tri-Metals		2.85			
	.15	.04	United Kirk	3,100	.05	.05½	.05	.05½
	.03	.01	Vacuum Gas		.01½			
No	.86	.35½	Ventures	9,390	.51	.52	.45	.45
1	.15	.01½	Vickers		.07			
1	1.22	.70	Vipond	3,100	.79	.80	.75	.75
No	2.00	.90	Waite Ack.	950	1.35	1.30	1.25	1.25
1	.02½	.01	West Tree		.01			
1	.27	.05	White Lake	6,100	.09	.09½	.08½	.09
1	.06	.02	Wiltsey		.04			
No	.01½	.00½	Windfall R.		.01			
	.13	.06	Wood Kirk		.07			
No	3.18	1.85	Wright-Har.	9,475	2.75	2.80	2.70	2.75
			WESTERN OIL STOCKS					
1	.30	.16	Acme	54,780	.20	.20	.14½	.16
No	.50	.50	Advance		.50			
1	.37½	.10	Alta. Pac.	4,760	.12	.11	.10	.10
1	.08	.07	Amalgamated		.08			
No	.25	.05	Associated		.05			
1	1.89	1.10	Ajax	2,710	1.35	1.35	1.25	1.25
No	.12	.03	Baltac	1,000	.03½	.03	.03	.03
1	.07	.05	Black Dia.		.05			
1	.33½	.10½	Brit. Dom.	4,500	.12	.10½	.10	.10
1	.32	.03	Calmont	3,000	.08	.08	.07½	.08
No	.82	.30	Calgary & Ed.		.37			
1	.47	.12	Comm. Pete.	6,050	.18	.22	.16	.22
No	.60	.19	Dalhousie	1,516	.25	.25	.19	.22
No	.08	.02	Devenish		.03½			
No	.12	.04	Dome Oil	200	.04½	.05½	.05½	.05½
No	.69	.15	East Crest	12,350	.20	.20	.17	.18
1	.05	.01½	Fabyan Pete.		.01½			
No	.60	.20	Foothills		.25			
No	.18½	.04	Freehold	2,675	.04½	.05	.04	.04
1	.02	.01	Great West		.02			
No	.17	.05	Hargal	650	.08	.07½	.07½	.07½
No	.10	.03½	Herron Pete		.03½			
No	.07½	.05	High Sarcee		.05			
	2.00	.48	Home	1,422	.56	.57	.50	.55
No	.22	.06	Homestead		.07			
1	1.70	.70	Homest'd O. & G.	7,100	.80	.85	.65	.85
1	.08½	.01	Illinois Alta.	5,109	.01	.01½	.01½	.01½
No	.70	.10½	Lowery		.20			
1	.05	.01	Madison	1,500	.01	.01	.01	.01
1	.85	.27	Mayland		.27			
No	.11	.03	McD. S. Ex.	7,600	.03	.04	.03	.03
1	.29	.03	McD. S. N.		.03			
1	.72	.25	McLeod		.12			
No	.39	.11½	Mercury	8,900	.12	.12	.11½	.11½
No	.20	.07	Merland	5,500	.08	.09	.08½	.08½
1	.18	.08	Mid West		.10			
No	.38	.10½	Mill City Pete.	40	.11	.11	.11	.11
1	.49	.13½	Model	2,100	.15	.18	.13½	.14
1	.18	.03	Monalta		.03			
1	.31	.07	Moose M.		.07			
1	.04	.02	New Federal		02			
No	.55	.16½	Nordon	10,400	.17	.20	.16½	.16½
No	.11	.02½	Oil Select	13,800	.06½	.06½	.06	.06
No	.28	.04½	Okalta	2,000	.07	.06	.06	.06
100	27.00	5.00	Do., Pref.		15.00			
No	.22	.05	Olga Gas & Oil	9,500	.14	.13	.12	.12
1	.37½	.20	Petrol	500	.25	.24	.24	.24
No	.28	.02	Penn. Pete.	43,000	.02	.04	.03	.03½
No	.25	.09	Ranchmen's	500	.11	.10	.09	.09
1	.05	.01½	Regent		.01½			
No	.13	.02	Richfield	400	.02½	.02	.02	.02
No	17.75	6.25	Royalite	41	8.00	8.00	7.00	7.00
1	.82	.30	Sarnia Oil	18,000	.49	.42	.38	.40
1	.06½	.02½	Signal Hill	400	.02½	.03	.03	.03
No	.27	.10	So. West Pete.		.10			
1	.60	.20	Spooner		.20			
No	.19	.09	Sterling Pac.		.10½			
	.15	.15	Turner Basin		.15			
1	.16	.12	Turner Valley		.12			
No	.31	.09	United	1,300	.12½	.14	.12	.13½
1	.15½	.08	Vulcan	60	.09	.09	.09	.09
No	.05	.00½	Wainwell	1,500	.01½	.01½	.01	.01
1	.28	.08	Waite Valley		.12			
			VANCOUVER STOCK EXCHANGE (Transaction for Week to July 8)					
25c	.01	.00½	Bayview		.00½			
25c	.07	.01	Beaver Silver	11,200	.06	.05½	.04½	.05
25c	.02½	.00½	Bluebird		.02			
25c	.70	.50	B. C. Silver		.50			
25c	.02	.00½	Cork Province		.01			
1	.20	.12	Cotton Belt	800	.15	.15	.15	.15
1	.04	.02	Dunwell		.02			
1	.10	.04½	Duthie	1,000	.05	.04½	.04½	.04½
1	.90	.40	George Copper	650	.40	.55	.50	.50
50c	.05	.01	Geo. Enterprise	5,000	.02	.01	.01	.01
1	.05	.01½	Georgia River	6,000	.03	.02½	.02½	.02½
50c	.02½	.02½	Glacier		.02½			
10c	.01	.01	Gladstone		.01			
1	.45	.18	Golconda	200	.20	.26	.26	.26
50c	.07½	.03	Grandview	2,500	.05½	.05	.04½	.04½
No	27.50	17.00	Howe Sound	30	17.00	21.25	21.25	21.25
1	.17½	.11	Inter. Coal		.12			
1	.01½	.01	Independence		.01			
1	.01½	.01	Indian Mines	5,500	.01½	.01½	.01½	.01½
1	.43	.24	Jack Waite		.32			
25c	.02	.00½	Kootenay King		.01			
25c	.00½	.00½	Lakeview		.00½			
25c	.02	.00½	L. & L.		.02			
1	.12½	.08	Lorne Gold	8,600	.08½	.10	.08	.08
1	.12	.12	Los Ang. Van.		.12			
10c	.03½	.01½	Lucky Jim		.02			
2.50	.01	.00½	Marmot Gold		.01			
50c	.01	.00½	Marmot Metals		.00½			
25c	.00½	.00½	Mohawk		.00½			
1	.25	.14	Montana Mines		.17			
1	.05	.02	Morton Woosley		.02			
50c	.03½	.01	National Silver	16,000	.01	.01½	.01½	.01½
50c	.09½	.04	Noble Five	100	.05	.07	.07	.07
50c	.12½	.04	Oregon Cop.	7,500	.05	.05	.04	.04
1	2.60	1.23	Pioneer Gold	4,850	2.33	2.40	2.15	2.20
50c	.09	.04	Porter Idaho	7,000	.05½	.06	.05½	.05½
No	.02	.00½	Premier Border		.00½			
No	.55	.20	Reeves McD.	1,100	.37	.31	.30	.30
1	.28	.11	Reno Gold	12,360	.23	.28	.22	.28
1	.04	.02	Rufus Argenta		.02			
1	.07	.04	Ruth Hope		.04			
1	.05½	.04	Silverado		.05½			
25c	.03	.01½	Silver Crest		.03			
50c	.05	.01½	Snowflake		.02½			
1	.45	.30	Sunloch		.30			
50c	.01½	.01	Topley Rich		.01			
5	.20	.20	Torio		.20			
20c	.01	.00½	Wellington	3,500	.01	.01	.01	.01
1	.05	.02	Whitewater		.02			
No	.03½	.00½	Woodbine	1,000	.00½	.00½	.00½	.00½

DIVIDEND PAYERS

	Rate	Yield
Cons. Smelters	$2.50 +a	2.52
Dome Mines	$1	8.69
Granby	$1	....
Hollinger	65c.+5	10.76
Howe Sound	$2	....
Inter. Nickel	60c.	4.28
Lake Shore	$1.20+30	5.55
McIntyre	$1	4.68
Mercury Oil	5c.	....
Model Oils	12c.	....

	Rate	Yield
Premier	12c.	17.64
Pioneer B.C.	6c.	....
Royalite	50c.	....
Spooner Oils	6c.	....
Sylvanite	4c.	....
Teck Hughes	60c.	8.88
United Oils	5c.	....
Wellington Oil	5c.	....
Wright-Har.	10+2½c.	4.54

a. Stock bonus 1 share for each 20 shares held.

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Current Events in the Banking World

DIVIDEND CUTS ON BANK STOCKS ARE RARE EVENT

Regular Rate Dropped on Only Three Occasions in History

FEW INSTANCES

Record of Eight Canadian Bank Stocks Listed on Exchange is Unique

News that all but one of the five biggest British banks have cut their dividend rates recently need not necessarily perturb holders of Canadian bank stocks. In Great Britain all but Barclays have had to reduce shareholder wages, Lloyds being the latest bank to announce a reduction effective with the current distribution. Incidentally Lloyds was the first bank to reduce dividends last year. The "Big Five" includes Midland Bank, National, Provincial and Westminster, in addition to the two mentioned above, but does not include the Bank of England.

The lower rate of dividend is of course a reflection of depressed industrial and financial conditions, and although it caused somewhat of a shock when Lloyds led the way last year it was probably not so upsetting in its particular sphere as would be a corresponding cut on the part of one or other of the leading Canadian chartered banks.

Canada's Amazing Record

For Canadian banks, unlike most other institutions of this kind and in line with Canadian banking practice as to uniformity of interest rates and so forth, have charted an almost monotonous course in their dividend payments, which reflect scarcely at all the current state of business whether it be good, bad or indifferent.

Thus it is that in the past twenty years, Canadian banks in which there is now investment interest, have changed their dividend rate on the average less than three times in the two decades, while two leading banks, namely Royal and Imperial, have maintained the same rate of dividend rigidly throughout the entire period, the only change being the addition of a bonus in each case which has been paid at the same rate since it was inaugurated some eleven or twelve years ago. With the single exception of the Bank of Toronto which added a 1 per cent bonus in 1927, there has been no change whatever in the amount of dividend and bonus paid to shareholders of these banks, since 1920—a period of 12½ years.

Reductions Are Rarity

As for a reduction in the rate of dividend, such an event has been so rare in the lives of those banks in operation today, that if such a thing were to happen it would undoubtedly be front page news of first-rate importance. For only on three occasions, namely in 1880, 1885 and 1902 has the regular dividend rate of one of these banks been reduced, while on two more occasions, both in 1915, bonuses were omitted for the four years of the Great War.

The banks who are responsible for these four lapses from an otherwise unbroken record, are the Royal, the Dominion and the Bank of Toronto. On two occasions the Royal was forced to drop its rate, each time by 1 per cent. The first reduction was in 1880 and the second in 1885. The Dominion Bank also has two reductions to its credit, one of which was a drop of ½ per cent in 1902 and the other was the omission of a 2 per cent bonus during the war years 1915-1918. The other incident of like nature was the omission of the Bank of Toronto bonus of 1 per cent during the same war period.

Current rates of dividend vary between $10 and $16 per share with Banque Canadienne Nationale paying the former rate and Bank of Nova Scotia the latter. Bank of Montreal and Royal Bank each pay $12 a share with a $2 bonus while Bank of Toronto, Bank of Commerce, Dominion Bank and Imperial Bank pay $12 also, plus a $1 bonus. At current market quotations the yield varies between 5.2 and 6.2 per cent, the exact figures for each of the banks in which there is Canadian investment interest being as follows:

Yield of Listed Canadian Bank Stocks

	Present dividend	Present price of shares	Yield
Ban. Can. Nat. ..	$10	$164	6.1%
Montreal	12+2	266	5.2
Nova Scotia	16	314	5.1
Toronto	12+1	220	5.9
Commerce	12+1	209	6.2
Dominion	12+1	209	6.2
Imperial	12+1	208	6.2
Royal	12+2	247¾	5.6

Important Changes Seen In May Bank Returns

Government Security Holdings at Highest Point in Bank History—Call Loans Abroad Below $100,000,000 Mark For First Time in 15 Years

Savings deposits at the credit of depositors in Canadian chartered banks are up $30,000,000 since the first of the year according to figures from Ottawa this week showing the condition of Canadian banks as at May 31, 1931. This is an average gain of $6,000,000 in each month since the beginning of the and is $24,000,000 more than the corresponding figure in May, 1930. The gain in May, 1931, as compared with the previous month was $3,100,000, but total deposits dropped $12,500,000 due to a decline of $15,600,000 in demand deposits. Last year at this time, demand deposits fell off $70,000,000.

Other important changes noted during the month are a drop in call loans abroad of $19,000,000 and an increase in holdings of government securities of $9,500,000. Both of these make history for Canadian bank statistics, the May total of $454,160,000 representing bank holdings of government securities being the highest point that has ever been reached in this individual item and being an increase of $180,000,000 in this particular figure since March, 1930, which was the lowest point reached in many years.

Call loans abroad also achieved a record that has not been seen in Canada for fifteen years, by dropping below the $100,000,000 mark. The May, 1931, figure was $97,645,000 which is $84,000,000 less than at this time last year and $230,000,000 below the high point of $328,000,000 reached in February, 1929.

The Financial Post index of bank credit (the ratio of current and call loans in Canada to demand and savings deposits in Canada) increased 1.2 per cent during the month to 65.1. This is nearly 13 per cent below the same figure at this time last year. Details of the bank statement as analyzed by The Financial Post are as follows:

	May 1931 $	Apr. 1931 $	Change $	May 1930 $	Change $
ASSETS					
Immediately Available Liquid Resources					
Specie	67,981,619	67,072,248	+ 909,371	67,566,259	+ 415,360
Dom. notes ...	108,440,136	108,548,012	— 107,876	110,486,830	— 2,046,694
Gold reserves .	29,130,866	25,630,866	+ 3,500,000	45,680,866	— 16,550,000
Foreign banks .	94,913,552	88,395,513	+ 6,518,039	89,723,408	+ 5,190,144
Foreign curr. .	17,336,595	15,992,980	+ 1,343,615	17,085,701	+ 250,894
Govt. secs. ..	454,160,756	444,649,202	+ 9,511,554	286,090,694	+168,070,062
Call loans abd.	97,645,982	116,985,827	— 19,339,845	182,213,587	— 84,567,605
	869,609,506	867,274,648	+ 2,334,858	798,847,345	+ 70,762,161
Loans and Securities Other Than Those of Canadian Government					
Public secs. .	153,050,495	144,667,296	+ 8,383,199	93,902,460	+ 59,148,035
Rly. secs.	61,680,044	61,990,875	— 310,831	51,423,833	+ 10,256,211
Can. call loans	187,374,589	180,526,619	+ 6,847,970	235,069,315	— 47,694,726
Current loans .	1,138,994,831	1,130,226,227	+ 8,768,604	1,330,115,609	—191,120,778
Loans abroad .	211,303,992	216,554,080	— 5,250,088	242,557,017	— 31,253,025
Prov. & mun. loans	146,255,301	155,751,245	— 9,495,944	130,187,384	+ 16,067,917
	1,898,659,252	1,889,716,342	+ 8,942,910	2,083,255,618	—184,596,366
Other Assets					
Non-curr. loans	9,058,541	8,839,545	+ 218,990	7,734,478	+ 1,324,063
Real estate ...	6,181,145	6,161,891	+ 19,254	5,354,045	+ 827,100
Mortgages ...	6,338,601	6,727,704	— 389,103	7,103,818	— 765,217
Premises	78,674,571	78,731,661	— 57,090	76,673,356	+ 2,001,215
Lets. of credit	76,449,819	72,729,804	+ 3,720,015	97,121,806	— 20,671,987
Loans to comp.	14,525,672	14,703,804	— 178,132	11,541,750	+ 2,983,922
Other assets ..	1,798,550	1,860,900	— 62,350	1,988,907	— 190,357
	193,026,899	189,755,309	+ 3,271,590	207,518,160	— 14,491,261
Total	2,961,295,657	2,946,746,299	+ 14,549,358	3,089,621,123	—128,325,466
Note cir. dep.	6,804,008	6,804,007	+ 1	6,378,505	+ 425,503
Int. bank bal.	114,174,907	134,246,565	— 20,071,658	134,094,304	— 19,919,397
Gross	3,082,274,572	3,087,796,871	— 5,522,299	3,230,093,932	—147,819,360
LIABILITIES					
To the Public					
Circulation ...	143,749,692	134,495,175	+ 9,254,517	164,710,728	— 20,961,036
Dom. govt. ...	33,427,883	37,795,029	— 4,367,146	56,438,911	— 23,011,028
Prov. govt. ..	20,067,893	20,875,610	— 807,717	29,272,690	— 9,204,797
Govt. advances	10,500,000	11,000,000	— 500,000	45,200,000	— 34,700,000
Deposits by Public					
Demand dep. .	580,035,001	595,697,443	— 15,662,442	574,667,632	+ 5,367,369
Savings dep. .	1,456,411,063	1,453,305,140	+ 3,105,923	1,432,425,900	+ 23,985,163
Total	2,036,446,064	2,049,002,583	— 12,556,519	2,007,093,532	+ 29,352,532
Foreign dep. .	338,121,323	338,961,487	— 840,164	393,794,422	— 55,673,099
Due to Banks Abroad, Etc.					
Un. Kingdom .	4,856,096	3,734,779	+ 1,121,317	14,086,912	— 9,230,816
Foreign	75,438,621	68,124,361	+ 7,314,260	60,223,649	+ 15,214,972
Bills payable .	3,972,873	3,841,715	+ 131,158	14,010,322	— 10,037,449
Lets. of credit	76,449,819	72,729,804	+ 3,720,015	97,121,806	— 20,671,987
Other liabs. ..	2,916,807	3,055,097	— 138,290	4,414,004	— 1,497,197
Public liab. .	2,745,947,071	2,743,615,640	+ 2,331,431	2,886,366,976	—140,419,905
Due between bks.	12,267,297	15,204,168	— 2,936,871	15,943,858	— 3,676,561
Loans from bks.	....	824,475	— 824,475	....	....
Liability to Shareholders					
Dividends	3,518,642	1,356,154	+ 2,162,488	3,523,796	— 5,154
Reserve	162,000,000	162,225,000	— 225,000	160,660,452	+ 1,339,548
Capital	144,500,000	145,024,560	— 524,560	144,631,019	— 131,019
Gross	3,068,233,010	3,068,249,997	— 16,987	3,211,126,101	—142,893,091
Credit index* .	65.1%	63.9%	+ 1.2%	77.9%	— 12.8%

*Ratio of current and call loans in Canada to demand and savings deposits in Canada.

What Editors Say of Banks

Interest on Bank Loans

Stratford Beacon-Herald.—A reader asks how it is that a bank takes off interest at the time of a loan. He says he had to borrow $100 for three months, and found that there was less than $100 entered in his book as being placed to his account. Upon inquiring at the bank he found out that he had paid the interest in advance. His claim is that he did not owe the bank anything until he had the use of the $100 for three months and advances the idea that if he were to put $100 in the bank and leave it there he would not get his interest in advance.

This point has been argued a good many times, and we suppose most bank managers have heard the protests about interest being taken in advance. It is common practice and quite legal. It is done not only by banks but by other financial corporations. Reference to a bill "to incorporate Morris Finance Corporation," passed on the 18th of June, 1931, at Ottawa, shows that this point is covered in the following words describing the powers of this corporation:

(i) Lend money . . . . and may charge interest thereon at the rate of not more than seven per centum per annum, and may on all loans deduct the interest in advance.

Bank Chat

H. G. THORPE has been appointed special representative at Montreal by The Canadian Bank of Commerce.

CHARLES R. ROPER, formerly manager of the Cobalt branch of the Bank of Toronto has been transferred to the branch at Bradford, Ont.

H. B. NEWTON, formerly accountant at Hamilton, has been appointed manager of the Cobalt branch of the Bank of Toronto

The Imperial Bank announces the following staff changes:

P. R. NEELY, formerly accountant, Prince Albert, and recently on special duty in the Weyburn district, has been appointed manager, Hague, Sask.

D. C. HOWELL, formerly manager at Hague, Sask., has been appointed manager Canwood, Sask.

P. R. CARTER, formerly manager, Canwood, Sask., has been appointed to the western superintendent's department, Winnipeg, Man.

J. R. BUNN, formerly accountant, Hastings and Abbott Streets, Vancouver, has been appointed accountant Winnipeg, Man.

M. A. R. HOWARD, formerly attached to the accountant's department, Vancouver, B.C., has been appointed accountant, Hastings and Abbott Streets branch, Vancouver.

Why Don't Banks Tell Their Story?

St. Catharines Standard

The Financial Post carries the following pertinent note:

"Sometimes we wonder why Canadian banks permit any rambling reporter or ranting red in the country to pillory them and yet seldom reply to general or even specific charges levelled against them. Canadian banks are still reticent in the matter of public relations. They have a wonderful story to tell and are too modest to tell it to Mr. and Mrs. John W. Public. Their advertising is better now than ever before, but it does not go far enough."

Our financial contemporary is quite right. Privately a banker when confronted with a speech like that of E. J. Garland, M.P., at Toronto recently, merely shrugs his shoulders, and possibly utters a declamatory expletive. The branch manager is the contact man with the public and that is about all he can do.

But the combined banks of this country could, in an organized way, do a great deal not merely to justify their position, which is held to be unassailable, but to disseminate public education in regard to the duties, services and responsibilities of the Canadian banking world. Banking is a strict business; it is no occult science. The banks, like merchants, have something to sell. They are competitive. It is not held unethical for a bank to advertise. A great work could be accomplished if the public were given a better conception of the functions of a bank operating under the charter of Parliament. This could only be done by a nation-wide series of advertisements, and it would pay the banking interests and strengthen their hands.

As things are, the annual reports of the presidents and general managers are about the only real food for public consumption. And only too often the bank president tries to tell the farmer how to raise wheat or hogs and goes wide afield from his own proper subject.

If the Canadian banks are slambanged and lambasted in Parliament and from the platform, and this merry process promises to continue: they are not helping themselves by taking it all "laying down."

Weekly Bank Clearings

Eastern Cities	July 10, 1930	July 9, 1931
Halifax	$ 4,701,803	$ 4,348,049
Saint John	2,600,229	2,756,852
Moncton	1,128,891	954,164
Sherbrooke	1,190,552	818,811
Quebec	7,489,875	7,689,621
Ottawa	7,660,603	7,072,363
Montreal	138,184,353	115,166,930
Kingston	1,132,538	996,340
Toronto	119,768,752	101,694,900
Hamilton	6,299,810	5,873,281
Kitchener	1,146,127	1,149,892
Brantford	1,585,776	1,385,912
London	3,486,380	3,392,689
Chatham	629,791	649,146
Windsor	4,514,532	3,515,061
Sarnia	821,705	552,243
Sudbury	1,224,318	816,229
Peterborough ...	......	945,962
Western Cities	**July 10, 1930**	**July 9, 1931**
Fort William ...	$ 937,797	$ 895,787
Winnipeg	54,975,174	54,360,488
Brandon	568,577	520,734
Saskatoon	2,525,379	2,045,934
Prince Albert ...	475,421	445,628
Edmonton	6,112,611	4,976,628
Calgary	6,533,417	6,207,226
Medicine Hat ..	435,157	382,239
Lethbridge	581,349	481,769
Vancouver	20,792,806	20,234,745
New Westminster	3,479,272	757,901
Victoria	1,479,272	2,446,665
Moose Jaw	1,316,625	1,151,255
Regina	6,074,155	4,521,338

Insurance for Buyer and Seller

HIGHER PRICES NOW BEING BID FOR LIFE SHARES

Insurance Traders Report Some Activity—Sun Life Prospects

Dealers in shares of Canadian life insurance companies report considerable activity in recent weeks and a considerable stiffening in the prices of shares of leading concerns. Little action has been noted, however, in the shares of the few Canadian fire and casualty company stocks which are on the market.

Leader in activity is said to be Manufacturers' Life stock which in the past four weeks has risen from a bid price of $300 to $335. At this price the stock is only $90 less than its quoted price in September, 1929. Manufacturers Life shares are now 100 per cent paid up and current dividend rate to shareholders is 8 per cent on the paid up capital.

Sun Life Shares Higher

Sun Life shares have also shown activity, the price rising from $1,000 a share bid to $1,250, in a comparatively short time. Although a far cry from the all-time high of $4,175 reached in 1929 when each upward spurt of the common stock market added millions to the value of Sun's common stock equity, the recent increase is a substantial one and may perhaps reflect the opinion of those close to the company as to probable beneficial effects of the forthcoming Privy Council decision affecting the jurisdiction of insurance matters in Canada.

Just what this decision may mean to the Sun Life is simply pure conjecture at the present time, but the possibilities it unfolds from a shareholders point of view and looking at the situation over a term of years, are interesting.

It is well known of course that the company has been for years trying to increase its capitalization but has met rebuffs first at the hands of the House of Commons at Ottawa and more recently as a result of an Exchequer Court and Privy Council ruling which wiped out any hopes that the company's original set-up called for a $4,000,000 rather than a $2,000,000 capitalization.

Situation May Alter

Recently of course nothing has been heard of this question which was much to the fore a few years ago, but the possibility that the provincial governments may be upheld in their present Privy Council battle to wrest control of insurance jurisdiction from the Dominion, draws attention to the rather obvious fact that it would be much easier for the Sun to secure an increase in capital stock if such power was vested in the respective provinces, than it would be under present federal jurisdiction which has in the past showed itself not at all responsive to such a request.

Whether or not the present upturn in some of these shares will be maintained is still another matter for conjecture, for although life insurance sales have been maintained at a level substantially above the general level of business throughout the country, expenses have been heavy due to a phenomenally high lapse rate and in addition most companies face substantial losses on properties throughout western Canada and elsewhere due to the drastic decline in farm values and the continuance of the depression with its particular hardships on the farming community. Another problem which is perhaps one of the most difficult facing companies at the present time, is the matter of new investments, it being well-nigh impossible for new money to be invested at anything like the rate obtainable a few years ago.

Manufacturers Life To Hold Conventions

"Increasing Business in Force" will be the theme at conventions to be held by the Manufacturers' Life Insurance Co. this summer.

Schedule calls for a meeting of the eastern division of the company's $100,000 club at Bigwin Inn, Lake of Bays, Ontario, from July 7 to 11 inclusive, while the $200,000 club convention will be held at Jasper Park, Alberta, from August 19 to 23, followed by that of the western division at the same centre.

Insurance Problems

Insurance questions of general interest submitted by subscribers of The Financial Post will be answered in this column. Other enquiries will be answered by mail. A two-cent stamp should be enclosed to cover a direct reply.

Wawanesa

I have been approached by an agent to take out a fire insurance policy with the Wawanesa Mutual Insurance Co. They offer insurance at rates approximately 25 per cent under the rates which I now pay. Is this considered a safe company to insure with?

Wawanesa Mutual Insurance Co. which has recently been licensed by the Dominion Government at Ottawa has carried on business in Manitoba since 1896, and in that time has built up a business which at the end of 1930 amounted to $169,360,000, with total assets of $2,769,000, of which $2,590,000 was set apart as policyholders' surplus.

This business has been written almost entirely in the three Prairie Provinces, with a smaller amount in British Columbia. Now, however, the company has established offices in Ontario and Quebec and in addition to taking fire insurance risks in these provinces is also writing automobile insurance.

In its own field the company has been extremely successful and has an excellent record. It is too early to state just what success the company will meet in its new and somewhat different field in Ontario and Quebec, but if the same principles on which it has written business in the Prairie Provinces are applied, the company should be able to maintain the good position it now holds.

London & Lancashire Business in U. S. Falls

A 6.8 per cent decline in premium income to £6,850,691, is shown in the 1930 report of London and Lancashire Insurance Co. of London, England. The most serious contraction occurred in the fire department, attributed very largely to a falling-off in United States business, premiums from that country dropping from the previous year's $6,041,500 to $5,652,600.

Underwriting profit, at £324,132, represented a ratio of 10.05 per cent of the premium income, while that for the marine department, £187,111 compares favorably with years 1926-8 and represents 14.75 of the year's premiums. The accident and general department of the American subsidiary, London & Lancashire Indemnity, showed a decline in profits from £120,788 to £85,198, profit-premium ratio being 3.61 per cent as against 4.92 for the previous year.

Net profits, over all departments, including interest, amounted to £980,521 compared with £1,137,704 for 1929 and £1,193,263 for 1928.

Licenses Issued

DOMINION

Union Indemnity Co.—Licensed for burglary, guarantee, plate-glass, and automobile insurance, (excluding fire or transportation); insurance against bodily injury and death by accident, and insurance against liability for loss or damage by accident to employees or other persons. The chief Canadian agent of the company is E. J. Walsh, Montreal.

QUEBEC

Philadelphia Fire and Marine Insurance Co.—Licensed for fire, sprinkler leakage, tornado, explosion of natural or other gas, and inland transportation. Chief agent is B. T. Latimer, Montreal.

The Union Marine and General Insurance Co. Ltd.—Licensed for fire, accident, automobile, burglary, inland transportation, plate glass, sickness, sprinkler leakage, explosion of natural or other gas, and hail (other than on growing crops) insurance. J. B. Paterson, Montreal, is chief agent for the province.

Inland and Ocean Marine insurance licenses have been issued to: **Alliance Insurance Co. of Philadelphia; London Assurance; Philadelphia Fire and Marine Insurance Co.**

Insurance Inklings

A. P. EARLE, president of the Montreal Life Insurance Co. recently left for Vancouver to study conditions in western Canada and to visit the company's agencies.

ROMEO ROY, formerly superintendent of the Continental Life Assurance Co. is now connected with The Sovereign Life Assurance Co. in the capacity of general organizer in the province of Quebec.

J. G. STEPHENSON completed his twenty-fifth year in the service of The London Life Insurance Co. on July 9. He has been superintendent of ordinary agencies since 1922.

ARTHUR B. WOOD, vice-president of the Sun Life Assurance Co. of Canada, has just completed 38 years of association with the company. Mr. Wood, who is a past president of the Actuary Society of America and the Canada Life Officers' Association, joined the company in July, 1893, was appointed assistant actuary in 1900 and actuary in 1908, which office he still holds.

Insurance Rates Lower For Hudson Bay Route

Insurance rates on shipping via the Hudson Bay route will be subject to a reduction of one-half per cent, according to word received by the Saskatchewan Government from London. The British Hull Committee, who are responsible for the reduction, is reported also to have agreed to extend the sailing limit from Churchill to October 7 of each year for an additional 10 per cent, and to October 15 for an additional 25 per cent on the rates.

The new basic rate will be 3½ per cent, instead of 4 per cent, on vessels valued at $50 per ton, though the reduction is contingent upon the operation by the Federal Government icebreakers and radio direction-finding equipment.

Mutual Relief May Business

Mutual Relief Life Insurance Co. issued and revived $289,440 of insurance during May and paid death claims to the amount of $35,531. Total business in force at the end of the month was $21,726,389 as compared with $21,636,955 at the end of April. Mortuary dividends paid in May amounted to $137.27.

SURPLUS TO POLICYHOLDERS
Agents! Increase your volume by writing our non-assessable policies at lower rates and under reinsurance treaties with Lloyds, of London, Eng.
Over $230,000.00 deposited with the Dominion Superintendent of Insurance.
ASSETS EXCEED $1,500,000.00
Prompt settlements from Branch Offices
FIRE—AUTOMOBILE—PLATE GLASS—BURGLARY—WINDSTORM
Western Canada's Oldest Mutual
The Portage la Prairie Mutual Insurance Company
Organized 1884 Dominion License
Head Office, Portage la Prairie, STRATTON WHITAKER, Manager
ONTARIO Dominion Bank Building, Toronto
BRITISH COLUMBIA Commerce Building, Vancouver

Do something practical
You *want* to build up an estate, of course. There is only one practical way. Begin with a Savings Account. Deposit regularly. In an astonishingly short time you will have accumulated a fund that will represent the foundation of an estate.
Any branch of this bank will welcome your account.
404
IMPERIAL BANK OF CANADA
HEAD OFFICE · TORONTO
Capital and Reserve $15,000,000
Frank A. Rolph, President Sir James Woods, Vice-President
A. E. Phipps, General Manager
240 BRANCHES THROUGHOUT CANADA

Strength-Stability-Service
Assurances In Force (Dec. 31, 1930)..$492,833,318
Assets $116,662,059
Surplus Funds and Contingency Reserves $12,468,009
THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
Head Office: WATERLOO, ONT.
A Purely Mutual Company
Every dollar of surplus earnings belongs to policy holders and is either actually paid or allotted as cash dividends or held in trust for future distribution.
The Mutual Life of Canada
Established 1869
F1

The GREAT-WEST LIFE ASSURANCE COMPANY
HEAD OFFICE -- WINNIPEG
Assets Over $120.000.000
Insurance in force over $600.000.000

A Strong Canadian Company
PILOT INSURANCE COMPANY
offers
International Claim Service on Automobile Policies
AUTOMOBILE FIRE
BURGLARY PLATE GLASS
LIABILITY FIDELITY
and SURETY BONDS
Inquiries for Agencies Invited
Head Office: 159 Bay St., Toronto
Norman G. Duffett, General Manager
PILOT . POLICIES . PROTECT

FIRE · MARINE · AUTOMOBILE · ACCIDENT · SICKNESS · BURGLARY · GUARANTEE
BRITISH EMPIRE ASSURANCE COMPANY
HEAD OFFICE · TORONTO

INCOMES FOR SALE
How about your life assurance?
Are you carrying enough so that your family can live comfortably on the interest of the principal if properly invested?
You can purchase now, from the Sun Life Company, a "life income policy." Such a policy pays a given sum, say $200 a month, to your wife, as long as she lives. It is not attachable for debt; is not subject to taxation; and cannot be sold or assigned. She simply receives $200 a month after your death as long as she lives.
You might leave a cash estate of $100,000, and it would be lost in unfortunate investments, but the Life Income Policy is a guarantee against any possible privation or want. Irrespective of other securities, or the amount of life assurance carried, no man who can afford it should be without one of these Life Income Policies.
Talk it over with a Sun Life Man.
SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE-MONTREAL

Speculations

LIKE letters of smoke, unwise speculations soon fade and disappear—but a Savings Bank Account is a safe, permanent investment.
Make your Bank Book mark your Progress
The Royal Bank of Canada
3100

PROTECTION
The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost.
This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.
Reserves—$36,827,055.00 Surplus—$2,680,759.27
Independent Order of Foresters
FRANK E. HAND, Supreme Chief Ranger HEAD OFFICE: TORONTO, CAN.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
Head Office: WINNIPEG
Toronto Office: 205 Brock Building
Walter J. Steer, Branch Manager
President, J. B. Coyne, K.C., Winnipeg, Man.
1st Vice-President, T. S. McPherson, Victoria, B.C.
2nd Vice-President, Allan S. Bond, Winnipeg, Man.
Applications for Agencies Invited

Operating in Quebec, Ontario, Manitoba, Saskatchewan, Alberta and British Columbia
FIRE AUTOMOBILE WINDSTORM
Insurance in force over $200,000,000.00
Total Assets over 3,000,000.00
Agents required in Ontario.
Write 410 Manning Chambers, Toronto.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA: HAMILTON, ONTARIO
Writing Fire and Automobile Insurance at Cost
Assets $5,010,673.96
ALL POLICIES NON-ASSESSABLE
Paying Dividends ranging from 25% to 40%
BRANCH OFFICES:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, Saint John, Halifax and Charlottetown

A MUTUAL COMPANY
1881 All Profits paid to Policyholders
SOLID AS THE CONTINENT
1931 A Canadian Company
Low premiums with liberal annual dividends. At age 30 a deposit of $202 a year or only 2% establishes an immediate estate of $10,000.
NORTH AMERICAN LIFE

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Plans and Specifications

ESTABLISHED 1908
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The Royal Bank Building, Montreal
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May Install Plate Mill

Dominion Foundries & Steel Ltd. is considering the installation of a mill to roll plate up to 120 inches in width at Hamilton, Ont., according to Canadian Machinery. The recent Dominion budget extended the tariff on plate to cover widths up to 60 inches and a clause was inserted to include a similar duty on plates up to 120 inches when such plate was made in quantity in Canada.

ADMINISTRATION & TRUST COMPANY
(Société d'Administration et de Fiducie)
(Established in 1902)
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Designers, Fabricators and Erectors
of every class of
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HAMILTON - CANADA

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning and operating mills at
Murray Bay, Que.
Beaupre, Que.
Sturgeon Falls, Ont.
Espanola, Ont.
Sault Ste. Marie, Ont.
Iroquois Falls, Ont.
Smooth Rock Falls, Ont.
Fort William, Ont.
Pine Falls, Manitoba
Daily Capacity 2200 Tons Newsprint
Groundwood Pulp News Sulphite Pulp
High Grade Bleached Sulphite Pulp

The
Canada Power & Paper
Corporation
Total Daily Capacity of Plants:
2,464 Tons of Newsprint
130 Tons Pure Kraft Paper
130 Tons Pure Sulphate Pulp
also producing
CARDBOARD, INSUL BOARD, WRAPPER and SULPHITE and GROUNDWOOD PULPS
SAW MILLS AT PEMBROKE, ONT., producing White Pine, Red Pine and Spruce Lumber Pickets, Laths, etc.—Annual Capacity of 25,000,000 F. B. M.
Successor and Operating Company of
Belgo-Canadian Paper Company Limited,
Shawinigan Falls, Que.
St. Maurice Paper Company Limited,
Cap de la Madeleine, Que.
Laurentide Company Limited,
Grand'Mere, Que.
Laurentide-Ottawa Company Limited,
Pembroke, Ont.
Port Alfred Pulp and Paper Corporation,
Port Alfred, Que.
Wayagamack Pulp and Paper Co. Ltd.,
Three Rivers, Que.
Anglo-Canadian Pulp and Paper Mills Limited,
Quebec, P.Q.
Head Office:
MONTREAL, QUEBEC

Canadian Pulp and Paper Industry

GREAT LAKES TRUSTEE ACTS AS RECEIVER

Action Provides Better Basis For Making New Contracts

FORM COMMITTEE

Payment of Interest Arrears Will Not Be Made Until Continuance Assured

Great Lakes Paper Co. was placed in receivership on July 13 on application of the National Trust Co. acting as trustee for the first mortgage bonds. The trust company was appointed receiver and manager of the company and a bondholders committee consisting of the Right Honorable Arthur Meighen, K.C., chairman; A. D. Cobban, J. H. Ratcliffe, all of Toronto; R. P. Matthiessen, Chicago, and Henry D. Thrall, Minneapolis, has been formed. The action taken by the trustee has not been unexpected.

It is expected that at least for the time being the company will continue to operate at 80 per cent of capacity on newsprint contracts held by Minnesota & Ontario Paper Co. and its subsidiaries. The extent of this work remains indefinite but Great Lakes Paper Co. is in a better position to enter into contracts of its own under the new conditions than was formerly the case.

Position Stated

The following statement issued by F. R. MacKelcan, K.C., of the National Trust Co., defines the new position of the company:

"Our primary objective in putting the Great Lakes Paper Company into receivership is to improve the business outlook for the future. As matters stood before the receivership publishers might well hesitate to make contracts with the Great Lakes Co., for fear that action might be taken on behalf of the bondholders or creditors which would render their contracts ineffective. This situation could not have been met by the mere payment of bond interest in arrears, as this would still have left customers of the Great Lakes Co. open to the risk of the company being prevented from carrying out its contracts in the event of failure to meet future bond interest or other creditors' claims which might result in proceedings being taken against the company. It was found impossible at this time to meet these requirements of the situation. All difficulty in satisfying customers as to the effectiveness of any contracts made by them should now be entirely removed, as such contracts will be made with us as receivers and managers of the Great Lakes Co., and under our law such contracts in effect rank in priority to the claims of the bondholders and creditors."

It is understood that cordial relations continue to exist with the receivers of Minnesota & Ontario Paper Co. It is also to be noted that the two United States members on the bondholders protective committee are also members of the bondholders' protective committee of Minnesota & Ontario Paper Co.

Great Lakes Paper Co., with Minnesota & Ontario Paper Co. and two subsidiaries of the latter company, is party to an important contract for the supply of newsprint and has also guaranteed the performance of practically all other contracts for the supply of newsprint made by Minnesota & Ontario Paper Co. Payments for newsprint made under these contracts were made by the purchasers to Minnesota & Ontario Paper Co. which pased into receivership on February 28, 1931, owing Great Lakes Paper Co. over $2,000,000. No payment in respect of this indebtedness was made and Great Lakes Paper Co. was unable to pay bond interest amounting to $600,000 due on March 1, 1931, on the $10,000,000 6 per cent first mortgage bonds outstanding.

Earns Bond Interest

Since default of bond interest Great Lakes Paper Co. has been operating at 80 per cent of capacity on work supplied by Minnesota & Ontario Paper Co. and bond interest charges have been more than earned. While no action has been taken in the interval between default and the application for a receivership, the trustee, investment bankers and bondholders have been watching the situation carefully and it was understood that revenues of the company would be applied solely to meeting current expenditures and that no payments would be made with respect to past due claims of ordinary creditors.

While it would probably be possible to arrange for financing of the payment of arrears of interest it is the opinion of the National Trust Co. that no good purpose would be served by paying such arrears unless there was reasonable assurance, which there is not, that future interest payments would be met as they came due. Future earnings of the company depend upon the volume of tonnage that can be maintained. Since March 1, temporary arrangements have been made for sufficient work to keep the two newsprint machines operating on a 5-day week basis. It is felt that more definite arrangements are necessary and with this in view application for receivership was made.

The National Trust Co. will act as depository for the first mortgage bonds with a co-depository in the United States and letters are being issued for the bondholders this week.

Canadian Inter. Paper Proposes Build Dams

From Our Own Correspondent

MONTREAL. — Canadian International Paper Co., at Three Rivers, proposes to build three dams to facilitate log driving on Chaguay Creek, in Mattawin Seigniory, Clair Creek, in Carignan Township, and Bellevue Creek in Hamel Township. Plans and specifications showing the nature of the work on the lands which will be affected, have been forwarded by the company to the Quebec Minister of Lands and Forests.

Toronto Firm Plans New B. C. Plant

Barber-Ellis Ltd., envelope manufacturers, plan $75,000 new factory building in Vancouver to take care of business expansion.

June Newsprint Output Reflects Easier Demand

Cumulative Figures Show Production 13 Per Cent Lower for First Half of Year—American Mills Less Active—Newfoundland Sets Record Pace

From Our Own Correspondent

MONTREAL.—Production of newsprint paper in Canada fell off in June compared to the previous month and with June last year.

The June report of the Newsprint Service Bureau shows a total output by Canadian mills of 193,971 tons, which is equivalent to 10,302 tons per operating day or a ratio of 60.3 per cent. This compared with 213,634 tons in June, 1930, which was equal to 10,143 tons per operating day and a ratio of 73 per cent, based upon a smaller rated capacity.

Production in American mills last month was much the same as in May, the total being 101,086 tons, as against 101,202 tons. In the more significant comparison with the same month last year, there was a decrease of roughly 7,300 tons. The operating ratio for June, 1931, was 67.8 per cent, compared to 68.8 per cent in May, 1931, and 79.9 per cent in June last year.

For the first half of 1931 Canadian plants produced 1,136,896 tons of newsprint, a decline of 147,262 tons from the corresponding period of 1930. The American mills turned out 595,208 tons, or 91.083 tons less than last year. The percentage of decrease for the first half of this year as against the same period in 1930 was 12 for the Canadian mills and 13 for the American plants.

Demand Reflects Output

An encouraging feature of the June report was that shipments from Canadian mills were greater than production. For the month exports totalled 194,144 tons, bringing the total to date up to 1,333,805 tons. Shipments in June a year ago totalled 212,670 tons, and for the first half of the year 1,262,975 tons.

The American mills faced a similar condition, shipments last month totalling 100,087 tons, down from 106,883 tons a year ago. For the first half of 1931 shipments aggregated 595,960 tons, as against 674,974 tons for the corresponding months last year.

Mill stocks are being kept in hand, the total reported by Canadian mills at the end of June being 39,832 and for American mills 33,906, making in all 73,738 tons. This compares with 74,736 tons on the same date last year and with the record of 87,916 tons set up in June, 1928.

Newfoundland Sets Pace

An outstanding feature of the Bureau's report is the manner in which Newfoundland continues to report a high output of newsprint. Last month production totalled 25,220 tons as against 24,936 tons in the previous month and with 23,891 tons for June last year.

For the first six months of 1931 Newfoundland mills turned out 144,934 tons. This is the highest mark ever set by the Island industry and compares with the previous half yearly record of 140,152 tons made last year. It is interesting to note that in the last eight years Newfoundland had more than quadrupled its production of newsprint paper.

PULP PRODUCTION ON LOWER SCALE JANUARY TO MAY

Some Increase in Latter Month, But Trend Downward

From Our Own Correspondent

MONTREAL.—There was a seasonal increase in production of pulp by Canadian and American mills during May last. Output, however, is still under last year's figures.

During May Canadian mills turned out 120,170 tons, down from the 148,565 tons produced in June, 1930, but up from the 118,563 tons manufactured in May last. American mills reported an output in May, 1931, of 89,542 tons, a moderate increase over that for the previous month, but about 17,000 tons under the May, 1930, production.

Stocks of groundwood pulp on hand at the end of May totalled 85,735 tons, of which United States mills were credited with 72,561 tons and Canadian mills with 13,174 tons. On the same date in 1930, Canada reported stocks of 13,029 and the United States 96,560 tons, making a total of 109,589 tons.

Sulphite Output Lower

Sulphite production in Canada during May last totalled 34,387 tons, or about 15,000 tons less than in the same month last year. American mills manufactured 26,542 tons, down from 33,626 tons in May, 1930.

For the first five months of 1931, Canadian mills produced 174,560 tons of sulphite pulp, or nearly 100,000 tons less than for the corresponding period of 1930. During the same periods American plants recorded a decline in output from 174,586 tons to 139,506 tons.

Stocks of sulphite pulp on hand at the end of May last totalled 11,104 tons, 4,712 tons being credited to the United States and 6,392 tons to Canada. This compares with total stocks of 18,505 on the same date last year, of which the United States had 7,428 tons and Canada 11,077 tons.

BATHURST PAPER NEW KRAFT UNIT COMPLETED SOON

Newsprint Machine Converted to Manufacture Linen and Board

From Our Own Correspondent

MONTREAL. — Bathurst Power and Paper Co. expects to complete its new kraft liner and board unit by the beginning of August. Expansion in this division represents an effort to offset the effect of low prices for kraft pulp. The company's kraft mill has a productive capacity of 75 tons of pulp a day, but operations of this unit were sharply curtailed last year.

This was due to lack of demand together with a smaller margin of profit existing on kraft pulp sales. Accordingly the management decided some months ago to manufacture the finished product and the necessary alterations to plant are now nearing completion.

Newsprint Output Lower

In addition to a drastic curtailment in its sulphite and kraft pulp output in 1930, the company's production of newsprint for the year was approximately 61 per cent of capacity. The two newsprint machines were capable of turning out 140 tons a day; one of these machines has been converted for the manufacture of kraft container board.

Profits in 1930 reflected the unsatisfactory conditions surrounding the industry. Net earnings of Bathurst Power and Paper Co. were $132,954 as compared with $281,550 in 1929. No provision was made for depreciation last year though $59,871 was written off on account of inventory adjustments and idle equipment.

Dividends Long Discontinued

Dividends on the 400,000 shares of class "A" common stock, which are entitled to an annual payment of $2 a share, were discontinued in March, 1929, after one payment of 25 cents a share had been made to shareholders. There are also 300,000 shares of class "B" common stock outstanding.

The brightest spot in the financial statement for 1930 was the company's liquid position which showed a working capital of $2,493,426. Current assets were $2,616,368 and current liabilities were $122,942.

BELGO PREFERRED MORE VALUABLE SAYS COMMITTEE

Think Holders Should Get $60 of Bonds and 5 Common Shares

From Our Own Correspondent

MONTREAL.—A committee of preferred shareholders of Belgo-Canadian Paper Co., appointed to investigate the award made to Belgo preferred shareholders in the proposed reorganization of Canada and Paper Corp., reports a wide difference of opinion with the Dunning plan.

The committee estimates, on the basis of awards as made by the Security Protective Committee to the other companies, each of the Belgo preferred shares are entitled to $60 of the new bonds to be issued and five shares of the new common stock. The Dunning plan offered three common shares for each Belgo preferred share.

Shows Wide Difference

There is $5,000,000 of Belgo preferred outstanding. The preferred shareholders committee estimates that it is worth $3,000,000 of the new bonds and 250,000 shares of the common stock. The Protective Committee of Canada Power and Paper have offered 150,000 shares of common for the Belgo preferred.

Meeting Well Attended

The findings of the preferred shareholders committee were propounded at a meeting which was well attended. A resolution, providing the committee with the necessary power to act as it should see fit on behalf of the preferred shareholders, and empowering it to employ a trust company to act as depository for Belgo preferred shares, was passed.

Another resolution empowered the committee to utilize the services of a competent and independent valuator who should go into the matter of valuating the various properties. Another concerned the appointment of a legal adviser.

Relations Without Prejudice

In one of the resolutions the provision was made that all relations between the Belgo committee and the Securities Protective Committee of Canada Power and Paper should be "without prejudice." One shareholder was in favor of a royal commission to investigate the entire situation regarding the necessity of reorganizing Canada Power and Paper Corp., while a legal opinion was read to the effect that Belgo preferred shareholders who did not deposit their stock by July 15, would not be prejudicing their own interests.

Hubert Biermans, former president of Belgo Canadian Paper Co., propounded his view on the general situation and was of the opinion that much might be accomplished if bondholders and preferred shareholders acted in concert.

B. C. Mines Break Records in 1930

Output of British Columbia mines for 1930 had a total value of $55,395,000 with record new high totals in silver, lead and zinc.

JAMES W. SEWALL
Consulting Forestry
JAMES W. SEWALL
Old Town, Maine
PHILLIPS & BENNER
Ruttan Block, Port Arthur, Ontario

Sutcliffe Company Ltd.
CONSULTING ENGINEERS
and
ONTARIO LAND SURVEYORS
NEW LISKEARD, ONTARIO

CELLOPHANE UNIT WILL BE ERECTED AT THREE RIVERS

C. I. L. Will Make Outlay of $1,500,000 on New Enterprise

From Our Own Correspondent

MONTREAL. — Three Rivers, Que., will be the site of the new $1,500,000 cellophane plant which Canadian Industries Ltd., will begin to construct in August. It is expected that the plant will come into production by spring of 1932.

Output from this unit will mark the inauguration of cellophane production in Canada. Protection afforded by the tariff is responsible for the new venture, it is announced. Hitherto the material has been imported from the United States. Formerly the tax on cellophane imported from that country was 5 per cent. The Government raised the duty to 10 per cent.

Employ 90 Men

The new factory which will employ about 90 men, will turn out cellophane strips 48 inches wide, which will be used in the wrapping of cigars, perfumes, foodstuffs and similar articles. Wood pulp is the basic requirement in raw material.

The plant, as far as possible, will be self-contained. All steam required will be generated in the electric boilers and all rotating machinery, other than air compressors and refrigerating machines, will be driven by electric motors.

Sees Pulp Shortage as Aid to Industry

From Our Own Correspondent

VANCOUVER.—Japan is the only country in the world with a surplus of pulp stocks, according to Lawrence W. Killam, president of the B. C. Pulp & Paper Company.

"In the east I found that most of the buying was being done on a hand-to-mouth basis and none of the mills are buying for more than their immediate requirements," said Mr. Killam. "Pulp stocks the world over are low. Japan is the only exception and I base that on the report of our own representatives in the Far East.

"While the market has been weak and prices unjustifiably low, the shortage of stocks creates a situation susceptible to rapid improvement as soon as there is a general quickening in the demand. The pulp industry is dependent, of course, on the newsprint business and when there is an advance in newsprint there should be a quick response in pulp.

"Price cutting continues to be one of the chief menaces to the pulp industry. So long as some mills will disregard all attempts to set a fair, basic price based on costs of production there cannot be any worthwhile stabilization."

Quebec Paper Makers Form Safety Body

From Our Own Correspondent

MONTREAL—A significant move in the Quebec pulp and paper industry is seen in preliminary steps which have been taken toward formation of a Safety Association by the companies engaged in the industry in Quebec. The proposed association will work under and in conjunction with the Workmen's Compensation Commission and will be formed generally along the lines of the Safety Association operated by the pulp and paper companies in Ontario.

The initial move was undertaken at a meeting in the Pulp and Paper Research Institute in Montreal, where delegates from 22 of the 30 companies in the province met to elect a committee and to draft a constitution and by-laws.

The committee comprises the following:

L. Armstrong, of Canada Power and Paper Corp.; Dr. James Stevenson, of Price Bros.; A. M. Creighton, of St. Lawrence Corp. and subsidiaries; R. A. Huff, of the Canadian International Paper Co.; and E. Howard Smith, of Howard Smith Paper Mills.

Export Manager

A. B. WAKEFIELD, president of the Canadian Sales Managers' Association, who has been appointed general manager of Consolidated Industries Export Limited, has been associated in the past with the Great Western Railway, Quayside offices, and the Imperial Tobacco Company, (Export), England.

THIRD C.G.I.T. INCOME HIGHER PROFIT IS DOWN

Trading Return Small; Depreciation in 1930 Was $679,492

Income from investments of the Third Canadian General Investment Trust Ltd. showed a substantial increase in the year ended Dec. 31, 1930, as compared with the previous fiscal period, but profit on sale of securities dropped to $13,494 from $249,901 and, after payment of three dividends amounting to $146,695 and provision of $6,000 for income tax reserve, the trust had a deficit for the year of $6,299 as against a surplus of $224,684 in 1929. No management fee was charged in 1930 since earnings fell short of 5 per cent on the paid-in capital. In 1929 this item amounted to $52,381.

Depreciation in the value of investments, based on market quotations, amounted to $679,492 during 1930 as compared with $632,761 in 1929. Total depreciation at Dec. 31, 1930, was $1,312,252. Investment holdings are carried out at $3,737,952 in the balance sheet just issued. Of this amount $3,341,317 is in marketable investments at cost, the market value of which, on Dec. 31, 1930, was $2,029,064. Other investments for which market quotations were not available are carried at $371,464 and accrued interest and dividends amounted to $25,171. In 1929 investments at cost were shown at $3,311,611 and the market value was given at $2,678,850.

Loans are Increased

Cash in bank has increased to $50,277 from $27,830; loans to Canadian General Securities Ltd. amount to $186,091; loan to the Fourth Canadian General Investment Trust Ltd. has been increased to $73,250 from $48,238 in 1929. Underwriting commission remains at $143,410 and there is an item of $169,411 due for securities sold, but undelivered, and since paid. Brokers' loans have increased to $787,829 from $388,648; sundry liabilities have been reduced to $7,200 from $54,035, while dividend payable is up to $33,222 from $7,656.

There is shown 677,384 shares of $5 par value stock as subscribed, on which there remains $124,584 unpaid. The 1929 statement showed 750,000 shares subscribed and $491,317 unpaid. Premium paid in on capital stock is shown at $51,418 and surplus is shown at $218,385 which, however, is subject to depreciation in market value of investments. Practically all of the stock of the trust is held in Great Britain.

The investments of the trust include 172 securities. Bonds and debentures comprise 12.14 per cent of investments; preferred stocks, 16.33 per cent; bank, trust and insurance stocks, 15.91 per cent; railways, 4.10 per cent; public utilities, 17.88 per cent; oils, 8.08 per cent and common stocks of industrial companies, 25.56 per cent.

Postpone Merger

Accompanying the annual report is a letter to shareholders stating that the question of amalgamation of the third trust with the second trust will be brought up at a later date. The original proposal to amalgamate the Canadian General Investment Trust Ltd. and the Third Canadian General Investment Trust Ltd. with the Second Canadian General Investments Ltd. was on a basis of exact liquidating value of the shares. Since this has been changed in some degree in respect to the shares of Canadian General Investment Trust Ltd. the inclusion of the third trust in the amalgamation is being deferred until directors and sponsors of this trust resident in England shall have had time to consider the change. The annual meeting of the third trust will be held in Toronto on August 10.

Income and Surplus Account
Years Ended Dec. 31

	1930	1929
	$	$
Int. on bonds	25,099	10,366
Divds. on invest.	111,526	92,643
Net int. on loans	†1,839	‡25,834
	138,464	77,175
Less:		
Exchange	2,357	6,503
Miscellaneous	3,205	1,595
Management fee	....	52,381
	132,902	16,696
Add: Profit on sale of securities	13,494	249,901
Net profit and inc.	146,396	266,597
Less: Dividends paid	146,695	41,914
Res. for income tax	6,000	....
Surplus for year	§6,299	224,684
Surplus brought forward	224,684	....
Nominal surp. carr. fwd.*	218,385	224,684

*Subject to depreciation in value of investments, based on market quotations amounting to $632,761 at December 31, 1929, and $1,312,252 on December 31, 1930.
†Received. ‡Paid. §Deficit.

Discuss New Pulp Mill for Prince Rupert Area

From Our Own Correspondent

VANCOUVER.—Howard Cole, New York capitalist, is looking into the possibility of establishing a pulp mill near Prince Rupert. Mr. Cole owns extensive pulpwood limits on the Queen Charlotte Islands and is associated with Charles Steele, president of the Massett Timber Co., with large timber interests on the islands.

It is proposed that the timber limits on Massett Inlet in the Queen Charlottes, and a group of timber limits near Usk on the British Columbia mainland, shall be taken over by a corporation recently organized for that purpose to establish a mill near Prince Rupert.

There is one of the most important stands of spruce in British Columbia on the Queen Charlottes and it was the centre of airplane spruce production during the war years. Usk is at present headquarters for a large trade in poles and ties, being on the main line of the Canadian National Railways.

Another pulp and paper project for British Columbia is sponsored by B. A. Grover, formerly of Texas, who announces that he will soon go ahead with a $10,000,000 sawmill and pulp mill on the west coast of Vancouver Island. The promoters are said to have acquired 592,000,000 feet of timber and rights on other accessible government timber.

Operators of established pulp and paper mills discount the possibility of early materialization of these plans on account of the depressed markets. They regard with more lively interest the recurring reports of a paper mill at Prince George, which would enter the rail trade, selling its product in the Chicago and middle west territory.

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Canadian Mining News

DAVIDSON FIND IN MATACHEWAN SEEN IMPORTANT

Find Not to be Confused With Large Boulders Reported

BIGGEST SO FAR?

Discovery Made Northwest of Ashley-Garvey Property in New Ontario Camp

From Our Own Correspondent

ELK LAKE.—A discovery termed by some prospectors as "the biggest so far in Matachewan" is said to have been made on the Jake Davidson property in Hincks township, northwest of Bannockburn in the Matachewan field. Recently, there have been reports of the discovery of large boulders of quartz, mineralized and carrying gold, on the Davidson property, but this should not be confused with the discovery here referred to.

According to the information brought out for The Financial Post, the new find is west of the ravine in which the large quartz boulders were found. The discovery was made by trenching through heavy overburden—chiefly sand. At the time the information was sent out, the vein had been uncovered for approximately eight feet in width, but neither wall had been uncovered. In view of this, details regarding the actual importance of the deposit have yet to be secured. However, where uncovered, the vein is said to contain a large amount of visible gold and tellurides. One of those who examined the vein states that small stringers so full of tellurides that they look like "stringers of silver" can be seen in the trench. The small stringers referred to are said to be several inches in length.

That the vein occurs in a strong shear zone, running almost north and south, is indicated by the fact that a weakness of this nature is marked by a wide depression which can be traced for several miles to the north and south.

Provided the find proves to be as good as reported to The Financial Post, it will have an important bearing on the future of the Matachewan area. Those who have seen the find are particularly enthusiastic and state that "it will make Matachewan."

Meantime, work is being rapidly pushed at the Ashley Gold Mining Corp. under way on a number of other prospects in the area and other finds are likely to be reported before the snow comes to halt prospecting activities next fall.

John L. Agnew

DEATH of John L. Agnew, vice-president and general manager of the International Nickel Co. of Canada, at Sudbury, on July 9, removed from mining circles one of its best known and most capable executives.

One of the greatest tributes which could be paid to his ability is the organization that he has left, which permits the great enterprise to continue without interruption and to carry out the practices and policies which he established.

Mr. Agnew was a product of the company, having joined the organization as a mere youth and worked his way up from the humblest job to the management of Canada's greatest mining enterprise.

His greatest strength was probably his thorough knowledge of every phase of the company's operation, enabling him to conceive and execute the establishment of one of the greatest mining and metallurgical plants of the world.

The organization and the works which he directed stand as a monument to his ability.

It is unfortunate that, after Mr. Agnew had seen his plans completed, death should intervene and rob him of the quiet enjoyment of the fruits of his life work.

Kirkland Premier Meeting Called

Shareholders of Kirkland-Premier Mines are in receipt of an official notice calling a meeting to be held July 20, to confirm recent action of the directors.

The organization of a new company to be known as the Kirkland Gold Rand, Ltd., is under way and Kirkland-Premier's property will be sold to this new company in consideration of 1,000,000 shares. The remaining 2,000,000 shares of the new company have been optioned to New York interests who will undertake to provide finances, and it is understood that operations at its Kirkland Lake property will be resumed shortly.

Teck-Hughes Declares Regular Dividend

Directors of Teck-Hughes Gold Mines have declared the usual 15-cent quarterly dividend payable August 1 to shareholders of record July 17.

Wright-Hargreaves Has New Possibilities

Work on South Vein System Suggests Close Relation to Lake Shore South Vein System

From Our Own Correspondent

KIRKLAND LAKE.—Results being obtained on the south vein of the Wright-Hargreaves are such as to indicate, that if Lake Shore widths and values together are to be found on the Wright-Hargreaves' property, they will be found in the south vein system.

Until work was started at the 2,250-ft. level, the north vein of the Wright-Hargreaves was regarded as the highest grade deposit, although somewhat narrower than the south vein. At the 2,250-ft. level, however, values have been found to have increased and the vein shows a width approximately twice as great as the north vein. Consequently, the big programme of work now under way on the south vein is of outstanding importance to the mine. The property embraces approximately 3,900 feet in length along the strike of the vein. Therefore, the field of possibilities is large.

So far, the Wright-Hargreaves has produced in the neighborhood of $17,000,000 in gold and is in a better physical condition at this time than at any previous time in the history of the company. Ore reserves have been built up to a point not far from $8,000,000 and are being added to daily. Production, which fell off for a time due to difficulties encountered around the faults, has been steadily increased and is now running at a rate close to $3,000,000 annually. Information secured by The Financial Post is to the effect that this rate is to be increased within the next two months, with a further increase likely to follow next year.

The dividend of 20 cents per share per year is a modest yield but prospects for an increase of possibly 50 per cent some time in 1932 are reasonably good.

MODEL REPORTS $78,236 PROFIT, EXPENSES HIGH

Directors' Fees and Office Expenses Make Inroads on Modest Income

Annual report of Model Oils for the year ended May 31, 1931, shows a net profit of $78,238. This is equivalent to 9½ cents on each of the 820,510 shares outstanding.

Revenue from production, amounting to 62,948 barrels of crude naphtha, was $177,655. Transfer fees amounted to $960. From this amount there were production expenses of $15,768, office expenses of $24,290, general expenses of $13,247, including directors' fees of $10,800, and depreciation of $6,601, leaving a net profit of $78,238.

The balance sheet shows current assets of $56,908 and current liabilities of $480.

Is in Turner Valley

In February, this year, an initial dividend of 12 cents per share was announced payable 3 cents every three months on March, June, September and December 16. To date shareholders have had approximately $50,000 distributed to them.

The company has 40 acres in Turner Valley and various acreages in unproved fields. In Turner Valley one well has been drilled and production has been taken since early in April, 1930. The current production is around 175 barrels of crude naphtha daily, which is about the average for the entire period under review.

Average price received per barrel of oil sold and reduced production raise doubts as to whether or not current dividends can be maintained. Although the gross value of the production was $177,655 and production expenses were $15,767, other expenses brought the net profits down to $78,238.

The office expenses alone were $24,290, including salaries of $16,187. Yearly directors' of $1,800 and back directors' fees amounting to $9,000, took about 12½ per cent of the net profits of the company.

PIONEER GOLD SHIPS $60,000 FOR JUNE

New High Record Established For Young Dividend Payer

Advice from Vancouver says that Pioneer Gold Mines of B. C., shipped a gold brick valued at $60,000, representing the June clean-up, from its operations in the Bridge River area.

This is an increase of $20,000 over the May production and is a new high record for the mine.

The Pioneer mill is steadily working at about one hundred tons daily capacity. Ore was all of higher grade during the month than previously with less waste, reports A. E. Bull, secretary of the company. All the ore was from the eighth level and from the stope between the seventh and eighth.

The second quarterly dividend disbursement was made a few days ago amounting to more than $52,000 and with steadily increasing production, there seems no doubt of the dividend rate being maintained and possibly increased in the near future.

W. A. M. and Hollinger Now in Matachewan

Advice from the Matachewan area says the Waite-Ackerman-Montgomery Mines is interested in the Headland claims on the border of Knight and Tyrrell townships.

It is understood Hollinger also is interested in the area and made an effort to secure the Headland claims but failing this is negotiating for the surrounding claims.

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Dome's Interest In Africa Grows

H. P. DePencier, general manager of Dome Mines, has left for South Africa to negotiate for further investments in the gold producers in the Witwatersrand area.

Less than a month ago Mr. DePencier returned to Toronto after an extended trip to South Africa. On that occasion a substantial interest was purchased in East Geduld Mines, a near producer in the Witwatersrand area. His return to the district so soon is of special significance and doubtless means additional commitments. Dome is known to have had negotiations for another property before it acquired an interest in East Geduld and it is regarded as probable that negotiations have now been re-opened.

C. W. Dowsett, formerly general superintendent of Dome, is reported planning returning to Canada, but whether he will return to the Dome staff is a matter of conjecture.

Eldorado Mine Shareholders To Get Report

C. L. LaBine, president, Eldorado Gold Mines, says its radium ore property on Great Bear Lake is developing beyond expectations and that an official report is in the process of preparation for forwarding to shareholders at an early date.

A great deal of interest has been raised by this find, owing to its high assay of uranium oxide. Early this spring a party was sent in by aeroplane to carry out surface exploration work and get out sufficient ore that a test could be made. It was planned that about 50 tons would be forwarded to Edmonton, and is now understood that this season's work is well advanced.

A great deal of publicity has been given the undertaking owing to the spectacular nature of the deposit.

VIPOND REPORT OUTLINES WORK; PRODUCTION DOWN

Porcupine Crown Workings Are Being Explored —Mine Dewatered

The official quarterly report of Vipond Consolidated Mines for the three months ended June 30, 1931, shows a recovery of $142,000 in gold bullion.

During the period, the major development programme inaugurated last November was continued.

The adjoining Porcupine Crown mine, owned by Vipond, has been unwatered and connections made with the workings at the 1,000 ft. level, and another crosscut at this level is being extended through the Crown porphyry to the western contact. At the 1,450 ft. level one crosscut is being driven westerly to reach the eastern contact of the porphyry, and to explore for the downward continuation of the Crown vein, and another crosscut is being driven easterly to explore for the downward continuation of No. 9 vein, but neither of these workings have yet reached what are considered the favorable zones.

The following is a comparative production statement for the past two quarters:

	2nd quar. 1931	1st quar. 1931
Tons milled	25,802	25,672
Total rec. $	142,000	183,100
Rec. per ton $	5.50	7.13
Tons daily	284	285

Metal Prices

New York—July 14.
Copper: Electrolytic spot 8c lb.
London—July 14.
(Long Ton)
Copper: Electrolytic spot, £36; future £38. Standard spot, £33 12s. 6d.; future £34 5s.
Tin: Spot, £110; future, £111 15s.
Lead: Spot, £12 12s. 6d.; future, £12 17s. 6d.
Zinc: Spot, £12 12s. 6d.; future, £13 5s.
Silver: 18 1/16d. per ounce.

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HOWEY TONNAGE TO BE RAISED TO 900 DAILY

June Operating Costs Including Interest $3.20 Per Ton

$1 PER TON PROFIT

Ore Averages Gross Value of $4.90 Per Ton and is Now Sufficient for Three Years

Production is to be increased to 900 tons daily, shareholders of Howey Gold Mines, meeting in Toronto on July 13, were told.

From current tonnage of around 600 tons daily the increase will be brought about toward the end of the year by hoisting 900 tons and sorting out of this 150 tons waste rock, principally black porphyry. Thus the mill will actually handle 750 tons and to facilitate this a new tube mill will be added to the fine grinding circuit.

R. T. Birks, president of the company, said he believed that the company had definitely rounded the corner and indications were that the debt to W. S. Cherry, vice-president of the company, would be retired by the end of 1932. In June the recovery was the highest in the history of operations and the costs reduced to $3.20 per ton including interest charges.

Fraser D. Reid, the newly appointed manager of the company, said he estimated the ore to average a recovery of from $4 to $4.25 per ton. Operating costs, he said, would be reduced to between $2.50 and $3 per ton indicating a net profit of close to $1 per ton after operations had been squared away and the higher tonnage was being treated.

The principal economies to be effected would be in connection with underground haulage and handling of the ore.

The estimated ore was given at 879,379 tons with an average assay of $4.95 per ton. Fifty-five per cent of the ore estimated rated under $4 per ton. These ore reserves are sufficient for about three years supply for the increase in mill capacity.

Development on the lowest, or 1,000-ft. level, indicated some of the best ore in the mine and it was hoped that in future developments below the 1,000-ft. horizon would show better than the present mine average. Exploration of this lower horizon is to be undertaken through sinking an exploratory winze from the 1,000-ft. level and then raising under the present shaft. In this manner the shaft will be deepened without interfering with production operations.

J. E. Hammell, formerly president of Howey and recently reelected to the board, paid tribute to Mr. Cherry in advancing the company approximately $600,000 during its trying period, that operations could be continued. The existing board of directors was reelected for the ensuing year and include R. T. Birks, president; W. S. Cherry, vice-president; J. A. Northway, J. E. Hammell and H. C. McCloskey.

OKLAHOMA CITY OIL PRODUCERS HAVE SUSPENDED

Canadian Companies Affected Seen to Benefit in the End

Advice from Oklahoma City states the oil producers in that district have decided to suspend operations until the price of crude oil recovers to $1 per barrel.

After struggling for several months against adverse proration, the producers have unanimously voted for unified action.

The price war that has been threatening for some time apparently is under way. Prices in East Texas have dropped to 10 cents per barrel and the price war is threatening to spread throughout the Kansas and Oklahoma fields.

With the Kansas field joining in the movement to suspend production, approximately 22,000 wells are affected.

The action is deemed as a sound step to take particularly since it has the unanimous approval of the producers as there is little to be gained in operating on such a restricted proration, depleting the fields and selling the oil at unheard of prices.

The Canadian companies affected are the Acme Gas & Oil Co., and the Ajax Gas & Oil Co.

Copper Stocks Mount Higher Prices Decline

Copper prices, which staged a temporary advance when the moratorium plan was announced, have again declined with export prices brought to a parity with the 7¾ cent domestic price now prevailing.

Stocks of refined copper continue to mount, while stocks of blister copper show a slight decline. On June 30, stocks of blister copper in North and South America totalled 187,353 tons as compared with 190,578 tons on May 31. The total stocks of refined and blister copper on June 30, amounted to 600,827 tons, as compared with 589,245 tons on May 31, and 561,797 tons on April 30.

The one-quarter cent reduction in export copper was the third announcement in the past week, which brings the export price to 8¼ cents per pound c.i.f. European ports.

Buchans Mining Increases Output

Buchans Mining Co. which has been operating its copper - zinc - lead property in Newfoundland under curtailed production, is to immediately increase its output to full milling capacity—1,000 tons per day.

In an official notice it is stated that low metal prices which have prevailed have caused heavy operating losses and it is only out of consideration of the employees that operations were not suspended entirely. Anticipating a brighter trend to metal prices and with the hope of reducing operating costs further, full capacity operations are announced.

In June, 1931, 7,804 tons of concentrates were shipped from the plant as compared with 7,509 in June, 1930. May shipments also were considerably in excess of those a year ago.

TECK DIVIDENDS LIKELY RAISED IN NEAR FUTURE

Increased Earnings Would Permit Company Following Avowed Policy

From Our Own Correspondent

KIRKLAND, LAKE.—There are those who have voiced uncertainty in connection with the Teck-Hughes' dividend policy. With regard to this, it is significant to recall a statement made by an official of the company some time ago, being to the effect that "shareholders want their profits now, not several years from now." In other words, the enterprise may be expected to distribute the profits to be secured accordingly as they are secured.

In the last quarter profits have been running at a rate better than 80 cents per share per year, with indications that it will be possible to further increase the rate to around 90 cents per share annually. In view of this, an increase in the dividend rate may be confidently expected.

The high-grade nature of the Teck-Hughes ore makes for low production costs per ounce of gold. In this connection Teck-Hughes produces gold at a lower cost per ounce than any other gold mine in the world.

Siscoe's Plans Defer Dividend President Says

Dividends could be paid this year, stated John T. Tebbutt, president of Siscoe Gold Mines, if the company was satisfied to continue with 150-ton daily capacity. Inference was given that operations were highly satisfactory and that an expansion programme was possible. (The Financial Post, May, 28).

Operating costs are now under $5.50 per ton, said Mr. Tebbutt, which compares with $9.87 a ton reported in 1930. The ore treated during the past three months has averaged $14 a ton, which compares with $11.11 per ton in 1930.

April established a new production record with the recovery of $65,798 in gold, but was exceeded in both May and June when production was approximately $70,000.

The company has no debts, said Mr. Tebbutt, and has $75,000 invested in a trust company paying 4½ per cent interest.

ASK POSTPONEMENT OF S. F. PAYMENTS

Holders of the 5 per cent first mortgage bonds, of Asbestos Corp. of Canada will meet on August 21 to consider the interpretation of Asbestos Corp. the holding company, that bonds of this issue which have been acquired for sinking fund purposes, have ceased to be an obligation of Asbestos Corp. of Canada and that interest is not payable thereon by the parent company. If bondholders will not consent to this they are offered an alternative proposal for consideration, i.e. the postponement until January 1, 1933, or such other date as may be decided at the meeting, of interest on such bonds as are held by the trustee and which is due from July 1, 1931, to July 1, 1932.

Bondholders are also asked to approve the postponement to January 1, 1933, or such other date as may be decided at the meeting, of a sinking fund installment of $30,000, due January 1, 1932. Since the present management took charge in May, 1929, it is stated that $457,000 has been spent in drilling and developing of properties of Asbestos Corp. of Canada and at least $500,000 additional will have to be spent within the next two years to advance development work.

Future success of Asbestos Corp., the holding company, is stated to lie in its ability to supply the varying grades and textures of fibres of higher standard demanded by the trade. With its many component mines, it is stated that the holding company, as now constituted can furnish all grades of silky fibres of Thetford, for fine spinning, to the harsh single fibres of Vimy, for slate manufacturers, but it can supply these grades only as at present constituted and not if the corporation is split up into several units as before the merger consummated in 1926.

Bondholders are asked to consider the situation carefully and to deposit their bonds and execute the necessary proxy outlined in the notice of meeting.

Mining Stock Index

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base of 1926=100, was 70.2 for the week ending July 9th, as compared with 72.0 for the previous week.

Turner Valley Drilling Report

Wells Drilled by Imperial Oil

Progress Report — Week Ending July 11, 1931

Name of Well	No.	Type	Depth last report feet	Present depth feet	Feet drilled	Remarks
Royalite	4	S.	....	....	...	Spudding and milling on 6¼" casing at 1201 ft.
Lowery	2	R.	6514	6514	...	Abandoned.
S. Lowery ..	3	R.	4322	4502	180	Drilling in Blairmore.
Ster. Pacific	2	R.	1473	1822	349	Drilling in Benton.
Lethbridge ..	1	S.	3250	3311	61	10" casing lowered to 2974 ft. clearing out cavings.

NEW PROGRAMME CUT HOLLINGER'S SIX MOS. PROFITS

Dividend Not Covered by First Half Year Earnings

Earnings for the first six months of 1931 by the Hollinger Consolidated Gold Mines was 30½ cents per share as against dividend requirements of 32½ cents, according to an official statement.

In explanation the statement said that during the period a more extensive programme of development has been carried out, which has had the effect of increasing costs and has occasioned a certain dilution of the ore making the grade lower.

This the report added accounts for the temporary reduction in the company's surplus, which after dividends, but before provision for depreciation, totalled $93,530 for the six months period.

Comparative income statements for the first six months of the current year together with total for 1930 and quarterly reports for 1931 are as follows:

	6 Months 1931 $	Year 1930 $
Production	4,862,687	10,263,504
Other inc.	319,295	639,426
Total inc.	5,181,982	10,902,931
Expenses	3,678,513	6,819,049
Total profit.	1,503,469	4,083,881
Dividends	1,599,000	3,444,000
Surplus	d95,530	639,881
Earnings per share ..	0.30½	0.81

d—Debit balance; deducted from surplus before depreciation.

Following figures show production for first two quarters of current year:

	1931 1st quarter $	1931 2nd quarter $
Production	2,613,342	2,249,345
Other inc.	157,163	162,132
Total inc.	2,770,505	2,441,477
Expenses	1,787,559	1,890,954
Total prof.	982,946	520,523
Dividends	799,500	799,500
Surplus	183,446	d278,977

d—Debit balance on quarter.

Keeley Report Shows Cobalt Production Up

The official quarterly report of Keeley Silver Mines, for the three months ended June 30, 1931, shows a production of 65,232 ounces of silver and 75,986 pounds of cobalt.

This compares with a production of 187,700 ounces of silver and 50,100 pounds of cobalt in the previous quarter ended March 31.

McINTYRE REPORT FOR FIRST QUARTER REFLECTS CHANGE

Change-over to New Mill Interferes With Production Operations

McIntyre Porcupine Mines reports net earnings, for the first quarter of its current fiscal year, of $461,471, as compared with $484,035 in the same period last year.

The decline in gross income is accounted for by the fact that milling operations were in a transition period. The new plant was being made ready for production and some of the machinery from the old plant was in the process of being moved to the new plant, which of necessity curtailed production operations and income.

The following is a comparative statement of earnings:

Quarterly Earnings Statement
3 months ending June 30

	1931 $	1930 $
Gross income	1,124,671	1,148,866
Costs, including devel.	623,401	633,303
	501,270	515,563
Less:		
Prov. for taxes ..	39,799	31,528
Net earn. before depr.	461,471	484,035

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30 x 4.50	4.50-21	7.40	9.25	12.25	2.25
28 x 4.75	4.75-19	8.70	10.25	12.65	2.25
29 x 4.75	4.75-20	8.80	10.70	13.05	2.15
29 x 5.00	5.00-19	9.20	11.05	13.90	2.60
30 x 5.00	5.00-20	9.40	11.40	14.25	2.75
30 x 5.25	5.25-20	10.85	13.30	16.15	2.75
31 x 5.25	5.25-21	11.25	13.70	16.70	3.00
29 x 5.50	5.50-19	11.45	14.15	17.25	3.35
30 x 5.50	5.50-20		14.45	18.25	3.80
31 x 6.00	6.00-19		16.60	18.95	3.35

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